

**Appendix 1**  
**Detail of Affected Rules**

## Appendix 1

### Introduction to Appendix

The following tables provide a listing of the specific rules from which BST seeks forbearance. All the rules within a specific section are listed in the tables even though some rules are not applicable to BST, or BST is not seeking forbearance from that specific rule. The tables have two columns: (1) one labeled "Forbearance," and (2) the other column labeled either "No Action," or "No Action (Does not apply to BST today)."

BST has placed an "X" in the "Forbearance" column for each rule from which it seeks forbearance. BST has placed an "X" in the column "No Action (Does not apply to BST today)" for all rules that do not apply to BST. For rules that do apply to BST, but from which no forbearance is being sought, BST has placed an "X" in the "No Action" column. Some designations in the columns have been annotated by footnotes to explain further as appropriate.

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Source: 52 FR 17229, May 6, 1987, unless otherwise noted.		

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## Appendix 1 – Rules

### PART 1 – Practice and Procedure

#### Subpart E – Complaints, Applications, Tariffs, and Reports Involving Common Carriers Section 1.795

47 C. F. R. PART 1 SUBPART E	Action Requested	
	For-bear	No Action
Subpart E Complaints, Applications, Tariffs, and Reports Involving Common Carriers  Sec. 1.795 Reports regarding interstate rates of return.  Carriers shall file reports regarding interstate rates of return on FCC Form 492 as required by part 65 of this chapter.  [52 FR 274, Jan. 5, 1987]	X	

## Appendix 1 – Rules

### PART 32 – Uniform System of Accounts for Telecommunications Companies Subpart B – General Instructions Sections 32.23 and 32.27

47 C.F.R. PART 32 SUBPART B (Selected Rules)	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B--General Instructions</p> <p>Sec. 32.23 Nonregulated activities.</p> <p>(a) This section describes the accounting treatment of activities classified for accounting purposes as "nonregulated." Preemptively deregulated activities and activities (other than incidental activities) never subject to regulation will be classified for accounting purposes as "nonregulated." Activities that qualify for incidental treatment under the policies of this Commission will be classified for accounting purposes as regulated activities. Activities that have been deregulated by a state will be classified for accounting purposes as regulated activities. Activities that have been deregulated at the interstate level, but not preemptively deregulated, will be classified for accounting purposes as regulated activities until such time as this Commission decides otherwise. The treatment of nonregulated activities shall differ depending on the extent of the common or joint use of assets and resources in the provision of both regulated and nonregulated products and services.</p> <p>(b) When a nonregulated activity does not involve the joint or common use of assets and resources in the provision of both regulated and nonregulated products and services, carriers shall account for these activities on a separate set of books consistent with instructions set forth in Secs. 32.1406 and 32.7990. Transfers of assets, and sales of products and services between the regulated activity and a nonregulated activity for which a separate set of books is maintained, shall be accounted for in accordance with the rules presented in Sec. 32.27, Transactions with Affiliates. In the separate set of books, carriers may establish whatever detail they deem appropriate beyond what is necessary to provide this Commission with the information required in Secs. 32.1406 and 32.7990.</p> <p>(c) When a nonregulated activity does involve the joint or common use of assets and resources in the provision of regulated and nonregulated products and services, carriers shall account for these activities within accounts prescribed in this system for telephone company operations. Assets and expenses shall be subdivided in subsidiary records among amounts solely assignable to nonregulated activities, amounts solely assignable to regulated activities, and amounts related to assets and expenses incurred jointly or in common, which will be allocated between regulated and nonregulated activities. Carriers shall submit reports identifying regulated and nonregulated amounts in the manner and at the times prescribed by this Commission. Nonregulated revenue items not qualifying for incidental treatment as provided in Sec. 32.4999(l) of this part, shall be recorded in separate subsidiary record categories of Account 5280, Nonregulated operating revenue. Amounts assigned or allocated to regulated products or services shall be subject to part 36 of this chapter.</p> <p>[52 FR 6560, Mar. 4, 1987, as amended at 53 FR 49322, Dec. 7, 1988; 59FR 46930, Sept. 13, 1994; 64 FR 50007, Sept. 15, 1999]</p>	<p>X</p> <p>X</p> <p>X</p>	



## Appendix 1 – Rules

47 C.F.R. PART 32 SUBPART B (Selected Rules)	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart B--General Instructions		
Sec. 32.27 Transactions with affiliates.		
(a) Unless otherwise approved by the Chief, Common Carrier Bureau, transactions with affiliates involving asset transfers into or out of the regulated accounts shall be recorded by the carrier in its regulated accounts as provided in paragraphs (b) through (f) of this section.	X	
(b) Assets sold or transferred between a carrier and its affiliate pursuant to a tariff, including a tariff filed with a state commission, shall be recorded in the appropriate revenue accounts at the tariffed rate. Non-tariffed assets sold or transferred between a carrier and its affiliate that qualify for prevailing price valuation, as defined in paragraph (d) of this section, shall be recorded at the prevailing price. For all other assets sold by or transferred from a carrier to its affiliate, the assets shall be recorded at no less than the higher of fair market value and net book cost. For all other assets sold by or transferred to a carrier from its affiliate, the assets shall be recorded at no more than the lower of fair market value and net book cost.	X	
(1) Floor. When assets are sold by or transferred from a carrier to an affiliate, the higher of fair market value and net book cost establishes a floor, below which the transaction cannot be recorded. Carriers may record the transaction at an amount equal to or greater than the floor, so long as that action complies with the Communications Act of 1934, as amended, Commission rules and orders, and is not otherwise anti-competitive.		
(2) Ceiling. When assets are purchased from or transferred from an affiliate to a carrier, the lower of fair market value and net book cost establishes a ceiling, above which the transaction cannot be recorded. Carriers may record the transaction at an amount equal to or less than the ceiling, so long as that action complies with the Communications Act of 1934, as amended, Commission rules and orders, and is not otherwise anti-competitive.		
(3) Threshold. For purposes of this section carriers are required to make a good faith determination of fair market value for an asset when the total aggregate annual value of the asset(s) reaches or exceeds \$500,000, per affiliate. When a carrier reaches or exceeds the \$500,000 threshold for a particular asset for the first time, the carrier must perform the market valuation and value the transaction on a going-forward basis in accordance with the affiliate transactions rules on a going-forward basis. When the total aggregate annual value of the asset(s) does not reach or exceed \$500,000, the asset(s) shall be recorded at net book cost.		

## Appendix 1 – Rules

47 C.F.R. PART 32 SUBPART B (Selected Rules)	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart B--General Instructions		
Sec. 32.27 Transactions with affiliates (continued).		
<p>(c) Services provided between a carrier and its affiliate pursuant to a tariff, including a tariff filed with a state commission, shall be recorded in the appropriate revenue accounts at the tariffed rate. Non-tariffed services provided between a carrier and its affiliate pursuant to publicly-filed agreements submitted to a state commission pursuant to section 252(e) of the Communications Act of 1934 or statements of generally available terms pursuant to section 252(f) shall be recorded using the charges appearing in such publicly-filed agreements or statements. Non-tariffed services provided between a carrier and its affiliate that qualify for prevailing price valuation, as defined in paragraph (d) of this section, shall be recorded at the prevailing price. For all other services sold by or transferred from a carrier to its affiliate, the services shall be recorded at no less than the higher of fair market value and fully distributed cost. For all other services sold by or transferred to a carrier from its affiliate, the services shall be recorded at no more than the lower of fair market value and fully distributed cost.</p> <p>(1) Floor. When services are sold by or transferred from a carrier to an affiliate, the higher of fair market value and fully distributed cost establishes a floor, below which the transaction cannot be recorded. Carriers may record the transaction at an amount equal to or greater than the floor, so long as that action complies with the Communications Act of 1934, as amended, Commission rules and orders, and is not otherwise anti-competitive.</p> <p>(2) Ceiling. When services are purchased from or transferred from an affiliate to a carrier, the lower of fair market value and fully distributed cost establishes a ceiling, above which the transaction cannot be recorded. Carriers may record the transaction at an amount equal to or less than the ceiling, so long as that action complies with the Communications Act of 1934, as amended, Commission rules and orders, and is not otherwise anti-competitive.</p> <p>(3) Threshold. For purposes of this section, carriers are required to make a good faith determination of fair market value for a service when the total aggregate annual value of that service reaches or exceeds \$500,000, per affiliate. When a carrier reaches or exceeds the \$500,000 threshold for a particular service for the first time, the carrier must perform the market valuation and value the transaction in accordance with the affiliate transactions rules on a going-forward basis. All services received by a carrier from its affiliate(s) that exist solely to provide services to members of the carrier's corporate family shall be recorded at fully distributed cost.</p>	X	
<p>(d) In order to qualify for prevailing price valuation in paragraphs (b) and (c) of this section, sales of a particular asset or service to third parties must encompass greater than 25 percent of the total quantity of such product or service sold by an entity. Carriers shall apply this 25 percent threshold on an asset-by-asset and service-by-service basis, rather than on a product-line or service-line basis. In the case of transactions for assets and services subject to section 272, a BOC may record such transactions at prevailing price regardless of whether the 25 percent threshold has been satisfied.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 32 SUBPART B (Selected Rules)	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart B--General Instructions</p> <p>Sec. 32.27 Transactions with affiliates <b>(continued)</b>.</p> <p>(e) Income taxes shall be allocated among the regulated activities of the carrier, its nonregulated divisions, and members of an affiliated group. Under circumstances in which income taxes are determined on a consolidated basis by the carrier and other members of the affiliated group, the income tax expense to be recorded by the carrier shall be the same as would result if determined for the carrier separately for all time periods, except that the tax effect of carry-back and carry-forward operating losses, investment tax credits, or other tax credits generated by operations of the carrier shall be recorded by the carrier during the period in which applied in settlement of the taxes otherwise attributable to any member, or combination of members, of the affiliated group.</p> <p>(f) Companies that employ average schedules in lieu of actual costs are exempt from the provisions of this section. For other organizations, the principles set forth in this section shall apply equally to corporations, proprietorships, partnerships and other forms of business organizations.</p> <p>[67 FR 5679, Feb. 6, 2002]</p>	X	X

## Appendix 1 – Rules

### PART 32 – Uniform System of Accounts for Telecommunications Companies

#### Subpart D – Instructions for Revenue Accounts Section 32.5280

47 C.F.R. PART 32 SUBPART D (Selected Rules)	Action Requested	
	For-bear	No Action
<p>Subpart D--Instructions For Revenue Accounts</p> <p>Sec. 32.5280 Nonregulated operating revenue.</p> <p>(a) This account shall include revenues derived from a nonregulated activity involving the common or joint use of assets or resources in the provision of regulated and nonregulated products or services.</p> <p>(b) This account shall be debited and regulated revenue accounts shall be credited at tariffed rates when tariffed services are provided to nonregulated activities that are accounted for as prescribed in Sec. 32.23(c) of this subpart.</p> <p>(c) Separate subsidiary record categories shall be maintained for two groups of nonregulated revenue as follows: one subsidiary record for all revenues derived from regulated services treated as nonregulated for federal accounting purposes pursuant to Commission order and the second for all other revenues derived from a nonregulated activity as set forth in paragraph (a) of this section.</p> <p>[53 FR 49322, Dec. 7, 1988, as amended at 64 FR 50008, Sept. 15, 1999; 67 FR 5694, Feb. 6, 2002]</p>	<p>X</p> <p>X</p>	<p>X<sup>1</sup></p>

<sup>1</sup> BST will continue to journalize revenue to Account 5280. Generally, this is revenue from activities that are not classified as common carrier communications for Title II purposes.

## Appendix 1 – Rules

### PART 36 - Jurisdictional Separations Procedures; Standard Procedures for Separating Telecommunications Property Costs, Revenues, Expenses, Taxes and Reserves for Telephone Companies Subpart A – General

47 C.F.R. PART 36 SUBPART A	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart A—General		
Sec. 36.1 General.		
(a) This part contains an outline of separations procedures for telecommunications companies on the station-to-station basis. These procedures are applicable either to property costs, revenues, expenses, taxes, and reserves as recorded on the books of the company or to estimated amounts.	X	
(1) Where a value basis is used instead of book costs, the "costs" referred to are the "values" of the property derived from the valuation.		
(b) The separations procedures set forth in this part are designed primarily for the allocation of property costs, revenues, expenses, taxes and reserves between state and interstate jurisdictions. For separations, where required, of the state portion between exchange and toll or for separations of individual exchanges or special services, further analyses and studies may be required to adapt the procedures to such additional separations.	X	
(c) The fundamental basis on which separations are made is the use of telecommunications plant in each of the operations. The first step is the assignment of the cost of the plant to categories. The basis for making this assignment is the identification of the plant assignable to each category and the determination of the cost of the plant so identified. The second step is the apportionment of the cost of the plant in each category among the operations by direct assignment where possible, and all remaining costs are assigned by the application of appropriate use factors.	X	
(d) In assigning book costs to categories, the costs used for certain plant classes are average unit costs which equate to all book costs of a particular account or subaccount; for other plant classes, the costs used are those which either directly approximate book cost levels or which are equated to match total book costs at a given location.	X	
(e) The procedures outlined herein reflect "short-cuts" where practicable and where their application produces substantially the same separations results as would be obtained by the use of more detailed procedures, and they assume the use of records generally maintained by Telecommunications Companies.	X	
(f) The classification to accounts of telecommunications property, revenues, expenses, etc., set forth in this manual is that prescribed by the Federal Communications Commission's Uniform System of Accounts for Telecommunications Companies.	X	
(g) In the assignment of property costs to categories and in the apportionment of such costs among the operations, each amount so assigned and apportioned is identified as to the account classification in which the property is included. Thus, the separated results are identified by property accounts and apportionment bases are provided for those expenses which are separated on the basis of the apportionment of property costs. Similarly, amounts of revenues and expenses assigned each of the operations are identified as to account classification.	X	
(h) The separations procedures described in this part are not to be interpreted as indicating what property, revenues, expenses and taxes, or what items carried in the income, reserve and retained earnings accounts, should or should not be considered in any investigation or rate proceeding.	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART A	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart A—General		
Sec. 36.2 Fundamental principles underlying procedures.		
(a) The following general principles underlie the procedures outlined in this part:	X	
(1) Separations are intended to apportion costs among categories or jurisdictions by actual use or by direct assignment.		
(2) Separations are made on the "actual use" basis, which gives consideration to relative occupancy and relative time measurements.		
(3) In the development of "actual use" measurements, measurements of use are (i) determined for telecommunications plant or for work performed by operating forces on a unit basis (e.g., conversation-minute-kilometers per message, weighted standard work seconds per call) in studies of traffic handled or work performed during a representative period for all traffic and (ii) applied to overall traffic volumes, i.e., 24-hour rather than busy-hour volumes.		
(b) Underlying the procedures included in this manual for the separation of plant costs is an overall concept which may be described as follows:	X	
(1) Telecommunications plant, in general, is segregable into two broad classifications, namely, (i) interexchange plant, which is plant used primarily to furnish toll services, and (ii) exchange plant, which is plant used primarily to furnish local services.		
(2) Within the interexchange classification, there are three broad types of plant, i.e., operator systems, switching plant, and trunk transmission equipment. Within the exchange classification there are four board types of plant, i.e., operator systems, switching plant, truck equipment and subscriber plant. Subscriber plant comprises lines to the subscriber.		
(3) In general, the basis for apportioning telecommunications plant used jointly for state and interstate operations are:		
(i) Operator work time expressed in weighted standard work seconds is the basis for measuring the use of operator systems.		
(ii) Holding-time-minutes is the basis for measuring the use of toll switching plant.		
(iii) Conversation-minute-kilometers or conversation minutes is the basis for measuring the use of interexchange circuit plant and holding-time minutes is the basis for measuring the use of exchange trunk plant. While the use of holding-time-minute-kilometers is the basic fundamental allocation factor for interexchange circuit plant and exchange trunk plant, the use of conversation-minute-kilometers or conversation-minutes for the allocation of interexchange circuit plant and holding-time minutes for the allocation of exchange trunk plant are considered practical approximations for separations between state and interstate operations when related to the broad types of plant classifications used herein.		
(iv) A subscriber plant factor is the basis of apportioning the cost of message telecommunications subscriber plant and local switching plant between State and interstate operations. The subscriber plant factor is developed and used according to the procedures set forth in Sec. Sec. 36.154(c) through 36.154(f).		

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART A	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart A—General		
Sec. 36.2 Fundamental principles underlying procedures (continued).		
<p>(c) Property rented to affiliates, if not substantial in amount, is included as used property of the owning company with the associated revenues and expenses treated consistently: Also such property rented from affiliates is not included with the used property of the company making the separations; the rent paid is included in its expenses. If substantial in amount, the following treatment is applied:</p> <p>(1) In the case of property rented to affiliates, the property and related expenses and rent revenues are excluded from the telephone operations of the owning company, and</p> <p>(2) In the case of property rented from affiliates, the property and related expenses are included with, and the rent expenses are excluded from, the telephone operations of the company making the separation.</p>	X	
<p>(d) Property rented to or from non-affiliates is usually to be included as used property of the owning company with the associated revenues and expenses treated consistently. In the event the amount is substantial, the property involved and the revenues and expenses associated therewith may be excluded from or included in the telecommunications operations of the company. When required, the cost of property rented to or from non-affiliates is determined using procedures that are consistent with the procedures for the allocation of costs among the operations.</p>	X	
<p>(e) Costs associated with services or plant billed to another company which have once been separated under procedures consistent with general principles set forth in this part, and are thus identifiable as entirely interstate or State in nature, shall be directly assigned to the appropriate operation and jurisdiction.</p>	X	
[52 FR 17229, May 6, 1987, as amended at 58 FR 44905, Aug. 25, 1993]		

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART A	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart A—General		
Sec. 36.3 Freezing of jurisdictional separations category relationships and/or allocation factors.		
(a) Effective July 1, 2001, through June 30, 2006, all local exchange carriers subject to part 36 rules shall apportion costs to the jurisdictions using their study area and/or exchange specific jurisdictional allocation factors calculated during the twelve month period ending December 31, 2000, for each of the categories/sub-categories as specified herein. Direct assignment of private line service costs between jurisdictions shall be updated annually. Other direct assignment of investment, expenses, revenues or taxes between jurisdictions shall be updated annually. Local exchange carriers that invest in telecommunications plant categories during the period July 1, 2001, through June 30, 2006, for which it had no separations allocation factors for the twelve month period ending December 31, 2000, shall apportion that investment among the jurisdictions in accordance with the separations procedures in effect as of December 31, 2000 for the duration of the freeze.	X	
(b) Effective July 1, 2001, through June 30, 2006, local exchange carriers subject to price cap regulation, pursuant to Sec. 61.41, shall assign costs from the part 32 accounts to the separations categories/sub-categories, as specified herein, based on the percentage relationships of the categorized/sub-categorized costs to their associated part 32 accounts for the twelve month period ending December 31, 2000. If a part 32 account for separations purposes is categorized into more than one category, the percentage relationship among the categories shall be utilized as well. Local exchange carriers that invest in types of telecommunications plant during the period July 1, 2001, through June 30, 2006, for which it had no separations category investment for the twelve month period ending December 31, 2000, shall assign such investment to separations categories in accordance with the separations procedures in effect as of December 31, 2000. Local exchange carriers not subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, may elect to be subject to the provisions of Sec. 36.3(b). Such election must be made prior to July 1, 2001. Local exchange carriers electing to become subject to Sec. 36.3(b) shall not be eligible to withdraw from such regulation for the duration of the freeze. Local exchange carriers participating in Association tariffs, pursuant to Sec. 69.601 of this chapter et seq., shall notify the Association prior to July 1, 2001, of such intent to be subject to the provisions of Sec. 36.3(b). Local exchange carriers not participating in Association tariffs shall notify the Commission prior to July 1, 2001, of such intent to be subject to the provisions of Sec. 36.3(b).	X	
(c) Effective July 1, 2001, through June 30, 2006, any local exchange carrier that sells or otherwise transfers exchanges, or parts thereof, to another carrier's study area shall continue to utilize the factors and, if applicable, category relationships as specified in Sec. Sec. 36.3(a) and (b).	X	



# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART A	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart A—General</p> <p>Sec. 36.3 Freezing of jurisdictional separations category relationships and/or allocation factors (continued)</p> <p>(d) Effective July 1, 2001, through June 30, 2006, any local exchange carrier that buys or otherwise acquires exchanges or part thereof, shall calculate new, composite factors and, if applicable, category relationships based on a weighted average of both the seller's and purchaser's factors and category relationships calculated pursuant to Sec. Sec. 36.3(a) and 36.3(b). This weighted average should be based on the number of access lines currently being served by the acquiring carrier and the number of access lines in the acquired exchanges.</p> <p>(1) To compute the composite allocation factors and, if applicable, the composite category percentage relationships of the acquiring company, the acquiring carrier shall first sum its existing (pre-purchase) access lines (A) with the total access lines acquired from selling company (B). Then, multiply its factors and category relationship percentages by <math>A/(A+B)</math> and those of the selling company by <math>B/(A+B)</math> and sum the results.</p> <p>(2) For carriers subject to a freeze of category relationships, the acquiring carrier should remove all categories of investment from the selling carrier's list of frozen category relationships where no such category investment exists within the sold exchange(s). The seller's remaining category relationships must then be increased proportionately to total 100 percent. Then, the adjusted seller's category relationships must be combined with those of the acquiring carrier as specified in Sec. 36.3(d)(1) to determine the category relationships for the acquiring carrier's post-transfer study area.</p> <p>(e) Any local exchange carrier study area converting from average schedule company status, as defined in Sec. 69.605(c) of this chapter, to cost company status during the period July 1, 2001, through June 30, 2006, shall, for the first twelve months subsequent to conversion categorize the telecommunications plant and expenses and develop separations allocation factors in accordance with the separations procedures in effect as of December 31, 2000. Effective July 1, 2001 through June 30, 2006, such companies shall utilize the separations allocation factors and account categorization subject to the requirements of Sec. Sec. 36.3(a) and (b) based on the category relationships and allocation factors for the twelve months subsequent to the conversion to cost company status.</p> <p>[66 FR 33204, June 21, 2001]</p>	X	X

## Appendix 1 – Rules

PART 36 - Jurisdictional Separations Procedures; Standard Procedures for Separating  
Telecommunications Property Costs, Revenues, Expenses, Taxes and Reserves for Telephone Companies  
Subpart B – Telecommunications Property

[illegible]

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property General Support Facilities</p> <p>Sec. 36.112 Apportionment procedure.</p> <p>(a) The costs of the general support facilities of Class A Companies (which are defined in part 32 of the Commission's Rules) are apportioned among the operations on the basis of the separation of the costs of the combined Big Three Expenses which include the following accounts:</p> <p style="padding-left: 40px;">Plant Specific Expenses</p> <p>Central Office Switching Expenses--Accounts 6211 and 6212 Operators Systems Expenses--Account 6220 Central Office Transmission Expenses--Accounts 6231 and 6232 Information Origination/Termination Expenses--Accounts 6311, 6341, 6351, and 6362 Cable and Wire Facilities Expenses-- Accounts 6411, 6421, 6422, 6423, 6424, 6426, 6431, and 6441</p> <p style="padding-left: 40px;">Plant Non-Specific Expenses</p> <p>Network Operations Expenses--Accounts 6531, 6532, 6533, 6534, and 6535</p> <p style="padding-left: 40px;">Customer Operations Expenses</p> <p>Marketing--Account 6611 and 6613 Services--Account 6620</p> <p>(b) The costs of the general support facilities for Class B Companies (which are defined by part 32 of the Commission's Rules) are apportioned among the operations on the basis of the separation of the costs of Central Office Equipment, Information Origination/Termination Equipment, and Cable and Wire Facilities, combined.</p> <p>[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988; 69 FR 12549, Mar. 17, 2004]</p>	X	X

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Central Office Equipment</p> <p>Sec. 36.121 General.</p> <p>(a) The costs of central office equipment are carried in the following accounts:</p> <p>Central Office Switching..... Account 2210. Non-digital Switching..... Account 2211. Digital Electronic Switching..... Account 2212. Operator Systems..... Account 2220. Central Office--Transmission.....Account 2230. Radio Systems..... Account 2231. Circuit Equipment..... Account 2232.</p> <p>(b) Records of the cost of central office equipment are usually maintained for each study area separately by accounts. However, each account frequently includes equipment having more than one use. Also, equipment in one account frequently is associated closely with equipment in the same building in another account. Therefore, the separations procedures for central office equipment have been designed to deal with categories of plant rather than with equipment in an account.</p> <p>(c) In the separation of the cost of central office equipment among the operations, the first step is the assignment of the equipment in each study area to categories. The basic method of making this assignment is the identification of the equipment assignable to each category, and the determination of the cost of the identified equipment by analysis of accounting, engineering and other records.</p> <p>(1) The cost of common equipment not assigned to a specific category, e.g., common power equipment, including emergency power equipment, aisle lighting and framework, including distributing frames, is distributed among the categories in proportion to the cost of equipment, (excluding power equipment not dependent upon common power equipment) directly assigned to categories.</p> <p>(i) The cost of power equipment used by one category is assigned directly to that category, e.g., 130 volt power supply provided for circuit equipment. The cost of emergency power equipment protecting only power equipment used by one category is also assigned directly to that category.</p> <p>(ii) Where appropriate, a weighting factor is applied to the cost of circuit equipment in distributing the power plant costs not directly assigned, in order to reflect the generally greater power use per dollar of cost of this equipment.</p> <p>(d) The second step is the apportionment of the cost of the equipment in each category among the operations through the application of appropriate use factors or by direct assignment.</p> <p>[52 FR 17229, May 6, 1987, as amended at 69 FR 12549, Mar. 17, 2004]</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p>	

## Appendix 1 – Rules

<b>47 C.F.R. PART 36 SUBPART B</b>	<b>Action Requested</b>	
	<b>For- bear</b>	<b>No Action (Does not apply to BST today)</b>
<p>Subpart B--Telecommunications Property Central Office Equipment</p> <p>Sec. 36.122 Categories and apportionment procedures.</p> <p>(a) The following categories of central office equipment and apportionment procedures therefore are set forth in Sec. Sec. 36.123 through 36.126.</p> <p>Operator Systems Equipment..... Category 1. Tandem Switching Equipment.....Category 2. Local Switching Equipment..... Category 3. Circuit Equipment..... Category 4.</p>	X	
<p>Subpart B--Telecommunications Property Central Office Equipment</p> <p>Sec. 36.123 Operator systems equipment--Category 1.</p> <p>(a) Operator systems equipment is contained in Account 2220. It includes all types of manual telephone switchboards except tandem switchboards and those used solely for recording of calling telephone numbers in connection with customer dialed charge traffic. It includes all face equipment, terminating relay circuits of trunk and toll line circuits, cord circuits, cable turning sections, subscriber line equipment, associated toll connecting trunk equipment, number checking facilities, ticket distributing systems, calculagraphs, chief operator and other desks, operator chairs, and other such equipment.</p> <p>(1) Operator systems equipment is generally classified according to operating arrangements of which the following are typical:</p> <p>(i) Separate toll boards (ii) Separate local manual boards (iii) Combined local manual and toll boards (iv) Combined toll and DSA boards (v) Separate DSA and DSB boards (vi) Service observing boards (vii) Auxiliary service boards (viii) Traffic service positions</p> <p>(2) If switchboards as set forth in Sec. 36.123(a) are of the key pulsing type, the cost of the key pulsing senders, link and trunk finder equipment is included with the switchboards.</p> <p>(3) DSB boards include the associated DSB dial equipment, such as link and sender equipment.</p> <p>(4) Traffic service position systems include the common control and trunk equipment in addition to the associated groups of positions wherever located.</p> <p>(5) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the average balance of Account 2220, Operator Systems, to the categories/subcategories, as specified in Sec. 36.123(a)(1), based on the relative percentage assignment of the average balance of Account 2220 to these categories/subcategories during the twelve month period ending December 31, 2000.</p> <p>(6) Effective July 1, 2001 through June 30, 2006, all study areas shall apportion the costs assigned to the categories/subcategories, as specified in Sec. 36.123(a)(1), among the jurisdictions using the relative use measurements for the twelve month period ending December 31, 2000 for each of the categories/subcategories specified in Sec. Sec. 36.123 (b) through 36.123(e).</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Central Office Equipment</p> <p>Sec. 36.123 Operator systems equipment--Category 1 <b>(continued)</b></p> <p>(b) The cost of the following operator systems equipment is apportioned among the operations on the basis of the relative number of weighted standard work seconds handled at the switchboards under consideration.</p> <p>(1) The following types of switchboards at toll centers are generally apportioned individually:</p> <p>(i) Separate toll boards. These usually include outward, through and inward positions in separate lines and associated inward toll switchboard positions in line.</p> <p>(ii) Switchboards handling both local and toll, either combined or having segregated local and toll positions in the same line.</p> <p>(iii) Switchboards handling both toll and DSA, either combined or having segregated toll and DSA positions in the same line.</p> <p>(iv) Traffic service positions, including separately located groups of these positions when associated with a common basic control unit.</p> <p>(2) The following types of switchboards at toll centers are apportioned individually, or by groups of comparable types of boards for each exchange:</p> <p>(i) Separate local manual boards. This includes the local positions of manual boards where inward toll positions are in the same line.</p> <p>(ii) Separate DSA boards.</p> <p>(iii) Separate DSB boards.</p> <p>(3) Tributary boards may be treated individually if warranted or they may be treated on a group basis.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart B--Telecommunications Property Central Office Equipment		
Sec. 36.123 Operator systems equipment--Category 1 (continued)		
<p>(c) Auxiliary service boards generally handle rate and route, information, and intercept service at individual or joint positions. The cost of these boards is apportioned as follows:</p> <p>(1) The cost of separate directory assistance boards is apportioned among the operations on the basis of the relative number of weighted standard work seconds handled at the boards under consideration. Directory assistance weighted standard work seconds are apportioned among the operations on the basis of the classification of these weighted standard work seconds as follows:</p> <p>(i) Directory assistance weighted standard work seconds first are classified between calls received over toll directory assistance trunks from operators or customers and all other directory assistance calls.</p> <p>(ii) The directory assistance weighted standard work seconds of each type further are classified separately among the operations on the basis of an analysis of a representative sample of directory assistance calls of each type with reference to the locations of the calling and called stations for each call.</p> <p>(2) The cost of separate intercept boards and automated intercept systems in the study area is apportioned among the operations on the basis of the relative number of subscriber line minutes of use.</p> <p>(3) The cost of separate rate and route boards is generally included with the cost of the toll boards served and is apportioned with those boards.</p> <p>(4) Where more than one auxiliary service is handled at an auxiliary board, the cost of the board is apportioned among the auxiliary services on the basis of the relative number of weighted standard work seconds for each service. The cost of that part of the board allocated to each auxiliary service is apportioned among the operations in the same manner as for a separate auxiliary board.</p>	X	
<p>(d) The cost of joint exchange and toll service observing boards is first apportioned between exchange and toll use on the basis of the relative number of exchange and toll service observing units at these boards. The cost of separate toll service observing boards and the toll portion of joint service observing boards is apportioned between state and interstate operations on the basis of the relative number of toll minutes of use associated with the toll messages originating in the offices observed.</p>	X	
<p>(e) Traffic Service Position System (TSPS) investments are apportioned as follows:</p> <p>(1) Operator position investments are apportioned on the basis of the relative weighted standard work seconds for the entire TSPS complex.</p> <p>(2) Remote trunk arrangement (RTA) investments are apportioned on the basis of the relative processor real time (i.e., actual seconds) required to process TSPS traffic originating from the end offices served by each RTA.</p> <p>(3) The remaining investments at the central control location, such as the stored program control and memory, is apportioned on the basis of the relative processor real time (i.e., actual seconds) for the entire TSPS complex.</p>	X	
[52 FR 17229, May 6, 1987, as amended at 66 FR 33205, June 21, 2001]		

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Central Office Equipment</p> <p>Sec. 36.124 Tandem switching equipment--Category 2.</p> <p>(a) Tandem switching equipment is contained in Accounts 2210, 2211, and 2212. It includes all switching equipment in a tandem central office, including any associated tandem switchboard positions and any intertoll switching equipment. Intertoll switching equipment includes switching equipment used for the interconnection of message toll telephone circuits with each other or with local or tandem telephone central office trunks, intertoll dial selector equipment, or intertoll trunk equipment in No. 5 type electronic offices. Equipment, including switchboards used for recording of calling telephone numbers and other billing information in connection with customer dialed charge traffic is included with Local Switching Equipment--Category 3.</p> <p>(1) At toll center toll offices, intertoll switching equipment comprises equipment in the toll office used in the interconnection of: Toll center to toll center circuits; toll center to tributary circuits; tributary to tributary circuits; toll center to tandem circuits or in the interconnection of the aforementioned types of circuits with trunks to local offices in the toll center city, i.e., interconnection with toll switching trunks, operator trunks, information trunks, testing trunks, etc. Equipment associated with the local office end of such trunks is included with local switching equipment or switchboard categories as appropriate.</p> <p>(2) At tributary offices, this category includes intertoll switching equipment similar to that at toll center toll offices if it is used in the interconnection of: Tributary to tributary circuits; tributary to subtributary circuits; subtributary to subtributary circuits; toll center to subtributary circuits; or if it is used jointly in the interconnection of any of the aforementioned types of circuits and in the interconnection of such toll circuits with trunk circuits for the handling of traffic terminating in the tributary office. Where comparable equipment has no joint use but is used only for the handling of traffic terminating in the tributary office, it is included in the local switching equipment category.</p> <p>(3) At all switching entities, this category includes intertoll switching equipment similar to that at toll center toll offices if it is used in the interconnection of switched private line trunks or TWX switching plant trunks when these functions are in addition to the message telephone switching function. Switching entities wholly dedicated to switching of special services are assigned to Category 3--Local Switching Equipment.</p> <p>(b) The costs of central office equipment items assigned this category are to be directly assigned when possible. When direct assignment is not possible the costs shall be apportioned among the operations on the basis of the relative number of study area minutes of use of this equipment.</p>	<p>X</p> <p>X</p>	



# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Central Office Equipment</p> <p>Sec. 36.124 Tandem switching equipment—Category 2 <b>(continued)</b></p> <p>(c) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the average balances of Accounts 2210, 2211, and 2212 to Category 2, Tandem Switching Equipment based on the relative percentage assignment of the average balances of Account 2210, 2211, 2212, and 2215 to Category 2, Tandem Switching Equipment during the twelve month period ending December 31, 2000.</p> <p>(d) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion costs in Category 2, Tandem Switching Equipment, among the jurisdictions using the relative number of study area minutes of use, as specified in Sec. 36.124(b), for the twelve month period ending December 31, 2000. Direct assignment of any subcategory of Category 2 Tandem Switching Equipment between jurisdictions shall be updated annually.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33205, June 21, 2001; 69 FR 12549, Mar. 17, 2004]</p>	<p>X</p> <p>X</p>	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Central Office Equipment</p> <p>Sec. 36.125 Local switching equipment--Category 3.</p> <p>(a) Local switching equipment is included in accounts 2210, 2211, and 2212. It comprises all central office switching equipment not assigned other categories. Examples of local switching equipment are basic switching train, toll connecting trunk equipment, interlocal trunks, tandem trunks, terminating senders used for toll completion, toll completing train, call reverting equipment, weather and time of day service equipment, and switching equipment at electronic analog or digital remote line locations. Equipment used for the identification, recording and timing of customer dialed charge traffic, or switched private line traffic (e.g. transmitters, recorders, call identity indexers, perforators, ticketers, detectors, mastertimes) switchboards used solely for recording of calling telephone numbers in connection with customer dialed charge traffic, or switched private line traffic (or both) is included in this local switching category. Equipment provided and used primarily for operator dialed toll or customer dialed charge traffic except such equipment included in Category 2 Tandem Switching Equipment is also included in this local switching category. This includes such items as directors translators, sender registers, out trunk selectors and facilities for toll intercepting and digit absorption. Special services switching equipment which primarily performs the switching function for special services (e.g. switching equipment, TWX concentrators and switchboards) is also included in this local switching category.</p> <p>(1) Local office, as used in Sec. 36.125, comprises one or more local switching entities of the same equipment type (e.g., step-by-step, No. 5 Crossbar) in an individual location. A local switching entity comprises that local central office equipment of the same type which has a common intermediate distributing frame, market group or other separately identifiable switching unit serving one or more prefixes (NNX codes).</p> <p>(2) A host/remote local switching complex is composed of an electronic analog or digital host office and all of its remote locations. A host/remote local switching complex is treated as one local office. The current jurisdictional definition of an exchange will apply.</p> <p>(3) Dial equipment minutes of use (DEM) is defined as the minutes of holding time of the originating and terminating local switching equipment. Holding time is defined in the Glossary.</p> <p>(4) The interstate allocation factor is the percentage of local switching investment apportioned to the interstate jurisdiction.</p> <p>(5) The interstate DEM factor is the ratio of the interstate DEM to the total DEM. A weighted interstate DEM factor is the product of multiplying a weighting factor, as defined in paragraph (f) of this section, to the interstate DEM factor. The state DEM factor is the ratio of the state DEM to the total DEM.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested													
	For-bear	No Action (Does not apply to BST today)												
Subpart B--Telecommunications Property Central Office Equipment														
Sec. 36.125 Local switching equipment--Category 3 (continued)														
(b) Beginning January 1, 1993, Category 3 investment for study areas with 50,000 or more access lines is apportioned to the interstate jurisdiction on the basis of the interstate DEM factor. Category 3 investment for study areas with 50,000 or more access lines is apportioned to the state jurisdiction on the basis of the state DEM factor.	X													
(c)-(e) [Reserved]		X												
(f) Beginning January 1, 1993 and ending December 31, 1997, for study areas with fewer than 50,000 access lines, Category 3 investment is apportioned to the interstate jurisdiction by the application of an interstate allocation factor that is the lesser of either .85 or the product of the interstate DEM factor specified in paragraph (a)(5) of this section multiplied by a weighting factor, as determined by the table below. Beginning January 1, 1998, for study areas with fewer than 50,000 access lines, Category 3 investment is apportioned to the interstate jurisdiction by the application of an interstate allocation factor that is the lesser of either .85 or the sum of the interstate DEM factor specified in paragraph (a)(5) of this section and the difference between the 1996 weighted interstated DEM factor and the 1996 interstate DEM factor. The Category 3 investment that is not assigned to the interstate jurisdiction pursuant to this paragraph is assigned to the state jurisdiction.		X												
<table><tr><td></td><td>Weighting</td></tr><tr><td>No. of access lines in service in study area</td><td>factor</td></tr><tr><td>0-10,000.....</td><td>3.0</td></tr><tr><td>10,001-20,000.....</td><td>2.5</td></tr><tr><td>20,001-50,000.....</td><td>2.0</td></tr><tr><td>50,001-or above.....</td><td>1.0</td></tr></table>				Weighting	No. of access lines in service in study area	factor	0-10,000.....	3.0	10,001-20,000.....	2.5	20,001-50,000.....	2.0	50,001-or above.....	1.0
	Weighting													
No. of access lines in service in study area	factor													
0-10,000.....	3.0													
10,001-20,000.....	2.5													
20,001-50,000.....	2.0													
50,001-or above.....	1.0													
(g) For purposes of this section, an access line is a line that does not include WATS access lines, special access lines or private lines.	X													
(h) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the average balances of Accounts 2210, 2211, and 2212 to Category 3, Local Switching Equipment, based on the relative percentage assignment of the average balances of Account 2210, 2211, 2212, and 2215 to Category 3, during the twelve month period ending December 31, 2000.	X													

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Central Office Equipment</p> <p>Sec. 36.125 Local switching equipment--Category 3 (continued)</p> <p>(i) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion costs in Category 3, Local Switching Equipment, among the jurisdictions using relative dial equipment minutes of use for the twelve month period ending December 31, 2000.</p> <p>(j) If during the period from January 1, 1997, through June 30, 2006, the number of a study area's access lines increased or will increase such that, under Sec. 36.125(f) the weighting factor would be reduced, that lower weighting factor shall be applied to the study area's 1996 unweighted interstate DEM factor to derive a new local switching support factor. The study area will restate its Category 3, Local Switching Equipment factor under Sec. 36.125(f) and use that factor for the duration of the freeze period.</p> <p>[52 FR 17229, May 6, 1987, as amended at 53 FR 33011, 33012, Aug. 29, 1988; 62 FR 32946, June 17, 1997; 63 FR 2124, Jan. 13, 1998; 66 FR 33205, June 21, 2001; 69 FR 12549, Mar. 17, 2004]</p>	X	
<p>Subpart B--Telecommunications Property Central Office Equipment</p> <p>Sec. 36.126 Circuit equipment--Category 4.</p> <p>(a) For the purpose of this section, the term "Circuit Equipment" encompasses the Radio Systems and Circuit Equipment contained in Accounts 2230 through 2232 respectively. It includes central office equipment, other than switching equipment and automatic message recording equipment, which is used to derive communications transmission channels or which is used for the amplification, modulation, regeneration, testing, balancing or control of signals transmitted over communications transmission channels. Examples of circuit equipment in general use include:</p> <p>(1) Carrier telephone and telegraph system terminals.</p> <p>(2) Telephone and telegraph repeaters, termination sets, impedance compensators, pulse link repeaters, echo suppressors and other intermediate transmission amplification and balancing equipment except that included in switchboards.</p> <p>(3) Radio transmitters, receivers, repeaters and other radio central office equipment except message switching equipment associated with radio systems.</p> <p>(4) Composite ringers, line signaling and switching pad circuits.</p> <p>(5) Concentration equipment.</p> <p>(6) Composite sets and repeating coils.</p> <p>(7) Program transmission amplifiers, monitoring devices and volume indicators.</p> <p>(8) Testboards, test desks, repair desks and patch bays, including those provided for test and control, and for telegraph and transmission testing.</p>	X	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Central Office Equipment</p> <p>Sec. 36.126 Circuit equipment--Category 4 (continued)</p> <p>(b) For apportionment among the operations, the cost of circuit equipment is assigned to the following subsidiary categories:</p> <p>(i) Exchange Circuit Equipment--Category 4.1.</p> <p>(i) Wideband Exchange Line Circuit Equipment--Category 4.11.</p> <p>(ii) Exchange Trunk Circuit Equipment (Wideband and Non-Wideband)--Category 4.12.</p> <p>(iii) Exchange Line Circuit Equipment Excluding Wideband--Category 4.13.</p> <p>(2) Interexchange Circuit Equipment--Category 4.2.</p> <p>(i) Interexchange Circuit Equipment Furnished to Another Company for Interstate Use--Category 4.21.</p> <p>(ii) Interexchange Circuit Equipment Used for Wideband Services including Satellite and Earth Station Equipment used for Wideband Service--Category 4.22.</p> <p>(iii) All Other Interexchange Circuit Equipment--Category 4.23.</p> <p>(3) Host/Remote Message Circuit Equipment--Category 4.3.</p> <p>(4) In addition, for the purpose of identifying and separating property associated with special services, circuit equipment included in Categories 4.12 (other than wideband equipment) 4.13 and 4.23 is identified as either basic circuit equipment, i.e., equipment that performs functions necessary to provide and operate channels suitable for voice transmission (telephone grade channels), or special circuit equipment, i.e., equipment that is peculiar to special service circuits. Carrier telephone terminals and carrier telephone repeaters are examples of basic circuit equipment in general use, while audio program transmission amplifiers, bridges, monitoring devices and volume indicators, telegraph carrier terminals and telegraph repeaters are examples of special circuit equipment in general use. Cost of exchange circuit equipment included in Categories 4.12 and 4.13 and the interexchange circuit equipment in Categories 4.21, 4.22 and 4.23 are segregated between basic circuit equipment and special circuit equipment only at those locations where amounts of interexchange and exchange special circuit equipment are significant. Where such segregation is not made, the total costs in these categories are classified as basic circuit equipment.</p> <p>(5) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41, shall assign the average balances of Accounts 2230 through 2232 to the categories/subcategories as specified in Sec. Sec. 36.126(b)(1) through (b)(4) based on the relative percentage assignment of the average balances of Accounts 2230 through 2232 costs to these categories/subcategories during the twelve month period ending December 31, 2000.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Central Office Equipment</p> <p>Sec. 36.126 Circuit equipment--Category 4 (continued).</p> <p>(c) Apportionment of Exchange Circuit Equipment Among the Operations:</p> <p>(1) Wideband Exchange Line Circuit Equipment--Category 4.11--The cost of exchange circuit equipment in this category is determined separately for each wideband facility. The respective costs are allocated to the appropriate operation in the same manner as the related exchange line cable and wire facilities described in Sec. 36.155.</p> <p>(2) Exchange Trunk Circuit Equipment (Wideband and Non-Wideband)--Category 4.12--The cost of exchange circuit equipment associated with this category for the study area is allocated to the appropriate operation in the same manner as the related exchange trunk cable and wire facilities as described in Sec. 36.155.</p> <p>(3) Exchange Line Circuit Equipment Excluding Wideband--Category 4.13--The cost of Circuit Equipment associated with exchange line plant excluding wideband for the study area is assigned to subcategories and is allocated to the appropriate operation in the same manner as the related exchange line cable and wire facilities for non-wideband service as described in Sec. 36.154.</p> <p>(4) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion costs in the categories/subcategories, as specified in Sec. Sec. 36.126(b)(1) through (b)(4), among the jurisdictions using the relative use measurements or factors, as specified in Sec. Sec. 36.126(c)(1) through (c)(3) for the twelve month period ending December 31, 2000. Direct assignment of any subcategory of Category 4.1 Exchange Circuit Equipment to the jurisdictions shall be updated annually.</p> <p>(d) Apportionment of Interexchange Circuit Equipment among the Operations: Procedures to be Used by Interexchange Carriers.</p> <p>(1) Interexchange Circuit Equipment Furnished to Another Company for Interstate Use--Category 4.21--This category comprises that circuit equipment provided for the use of another company as an integral part of its interexchange circuit facilities used wholly for interstate services. This category includes such circuit equipment as telephone carrier, terminals telegraph carrier terminals, and microwave systems used wholly for interstate services. The total cost of the circuit equipment in this category for the study area is assigned to the interstate operation.</p> <p>(2) Interexchange Circuit Equipment Used for Wideband Service--Category 4.22--This category includes the circuit equipment portion of interexchange channels used for wideband services. The cost of interexchange circuit equipment in this category is determined separately for each wideband channel and is segregated between message and private line services on the basis of the use of the channels provided. The respective costs are allocated to the appropriate operation in the same manner as the related interexchange cable and wire facilities as described in Sec. 36.156.</p> <p>(3) All Other Interexchange Circuit Equipment--Category 4.23--This category includes the cost of all interexchange circuit equipment not assigned to Categories 4.21 and 4.22. Interexchange carriers shall freeze the allocation factors for Category 4.23 investment at levels reached on December 31, 1985, derived by using the procedures in effect at that time. On January 1, 1988, and thereafter, that frozen allocation factor shall be applied to each interexchange carrier's Category 4.23 investment to derive the interstate allocation. On January 1, 1988, and thereafter, the amount of investment allocated to the interstate jurisdiction will vary but the relative proportion of the total investment that is allocated to the interstate jurisdiction will remain frozen at 1985 levels.</p>	X	
	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Central Office Equipment</p> <p>Sec. 36.126 Circuit equipment--Category 4 (continued).</p> <p>(e) Apportionment of Interexchange Circuit Equipment among the Operations: Procedures To Be Used by Exchange Carriers.</p> <p>(1) Interexchange Circuit Equipment Furnished to Another Company for Interstate Use--Category 4.21--This category comprises that circuit equipment provided for the use of another company as an integral part of its interexchange circuit facilities used wholly for interstate services. This category includes such circuit equipment as telephone carrier terminals telegraph carrier terminals, and microwave systems used wholly for interstate services. The total cost of the circuit equipment in this category for the study area is assigned to the interstate operation.</p> <p>(2) Interexchange Circuit Equipment Used for Wideband Service--Category 4.22--This category includes the circuit equipment portion of interexchange channels used for wideband services. The cost of interexchange circuit equipment in this category is determined separately for each wideband channel and is segregated between message and private line services on the basis of the use of the channels provided. The respective costs are allocated to the appropriate operation in the same manner as the related interexchange cable and wire facilities described in Sec. 36.155.</p> <p>(3) All Other Interexchange Circuit Equipment--Category 4.23--This category includes the cost of all interexchange circuit equipment not assigned to Categories 4.21 and 4.22. The cost of interexchange basic circuit equipment used for the following classes of circuits is included in this category: Jointly used message circuits, i.e., message switching plant circuits carrying messages from the state and interstate operations; circuits used exclusively for TWX service; circuits uses for interstate private line service; and circuits used for state private line services.</p> <p>(i) An average interexchange circuit equipment cost per equivalent interexchange telephone Termination for all circuits is determined and applied to the equivalent interexchange telephone termination counts of each of the following classes of circuits: Interstate Private Line, State Private Line, Message, and TWX. The cost of interstate private line circuits is assigned directly to the interstate operation. The cost of state private line circuits is assigned directly to the state operation. The cost of message circuits is apportioned between the state and interstate operations on the basis of the relative number of study area conversation-minutes applicable to such facilities.</p> <p>(ii) The cost on interexchange circuit equipment assigned TWX circuits is apportioned between state and interstate toll in accordance with Sec. 36.126(e)(3)(i) and pursuant to the following procedures. The cost of circuit equipment associated with the TWX intertoll circuits used jointly for state and interstate operations is apportioned between the operations on the basis of the relative number of study area TWX connection-minutes applicable to such facilities. The cost of circuit equipment associated with the interexchange portion of the TWX remote access lines is apportioned between state and interstate operation on the basis of the relative number of study area TWX connection-minutes applicable to those facilities.</p> <p>(iii) The cost of special circuit equipment is segregated among TWX service, telegraph grade private line services and other private line services based on an analysis of the use of the equipment and in accordance with Sec. 36.126(b)(4). The cost of TWX special circuit equipment is apportioned on the same basis as that used for intertoll TWX circuits. The special circuit equipment cost assigned to telegraph grade and other private line services is directly assigned to the appropriate operation.</p> <p>(4) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion costs in the categories/subcategories specified in Sec. Sec. 36.126(e)(1) through (e)(3) among the jurisdictions using relative use measurements or factors, as specified in Sec. Sec. 36.126(e)(1) through (e)(3) for the twelve month period ending December 31, 2000. Direct assignment of any subcategory of Category 4.2 Interexchange Circuit Equipment to the jurisdictions shall be updated annually.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Central Office Equipment</p> <p>Sec. 36.126 Circuit equipment--Category 4 (<b>continued</b>).</p> <p>(f) Apportionment of Host/Remote Message Circuit Equipment Among the Operations.</p> <p>(1) Host/Remote Message Circuit Equipment--Category 4.3. This category includes message host/remote location circuit equipment for which a message circuit switching function is performed at the host central office associated with cable and wire facilities as described in Sec. 36.152(c).</p> <p>(i) The category 4.3 cost of host/remote circuit equipment assigned to message services for the study area is apportioned among the exchange, intrastate toll, and interstate toll operations on the basis of the assignment of host/remote message cable and wire facilities as described in Sec. 36.157.</p> <p>(ii) [Reserved]</p> <p>(2) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion costs in the subcategory specified in Sec. 36.126(f)(1) among the jurisdictions using the allocation factor, as specified in Sec. 36.126(f)(1)(i), for this subcategory for the twelve month period ending December 31, 2000. Direct assignment of any Category 4.3 Host/Remote Message Circuit Equipment to the jurisdictions shall be updated annually.</p> <p>[52 FR 17229, May 6, 1987, as amended at 53 FR 33012 Aug. 29, 1988; 66 FR 33205, June 21, 2001; 69 FR 12550, Mar. 17, 2004]</p>	X	
<p>Subpart B--Telecommunications Property Information Origination/Termination (IOT) Equipment</p> <p>Sec. 36.141 General.</p> <p>(a) Information Origination/Termination Equipment is maintained in Account 2310 and includes station apparatus, embedded customer premises wiring, large private branch exchanges, public telephone terminal equipment, and other terminal equipment.</p> <p>(b) The costs in Account 2310 shall be segregated between Other Information Origination/Termination Equipment--Category 1, and New Customer Premises Equipment--Category 2 by an analysis of accounting, engineering and other records.</p> <p>(c) Effective July 1, 2001, through June 30, 2006, local exchange carriers subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the average balance of Account 2310 to the categories, as specified in Sec. 36.141(b), based on the relative percentage assignment of the average balance of Account 2310 to these categories during the twelve month period ending December 31, 2000.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33206, June 21, 2001]</p>	<p>X</p> <p>X</p> <p>X</p>	



## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart B --Telecommunications Property Information Origination/Termination (IOT) Equipment</p> <p>Sec. 36.142 Categories and apportionment procedures.</p> <p>(a) Other Information Origination/Termination Equipment--Category 1. This category includes the cost of other information origination/termination equipment not assigned to Category 2. The costs of other information origination/termination equipment are allocated pursuant to the factor that is used to allocate subcategory 1.3 Exchange Line C&amp;WF. If amounts of coinless pay telephone equipment are substantial, the cost of such equipment should be separately identified and allocated on the basis of relative toll minutes-of-use for interexchange carriers and minutes-of-use for exchange carriers.</p> <p>(b) Customer Premises Equipment--Category 2. This category includes the cost of Customer Premises Equipment that was detariffed pursuant to the Second Computer Inquiry decision. It shall be assigned to the state operations.</p> <p>(c) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion costs in the categories, as specified in Sec. 36.141(b), among the jurisdictions using the relative use measurements or factors, as specified in Sec. 36.142(a), for the twelve month period ending December 31, 2000. Direct assignment of any category of Information Origination/Termination Equipment to the jurisdictions shall be updated annually.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33206, June 21, 2001]</p>	<p>X</p> <p>X</p> <p>X</p>	
<p>Subpart B--Telecommunications Property Cable and Wire Facilities</p> <p>Sec. 36.151 General.</p> <p>(a) Cable and Wire Facilities, Account 2410, includes the following types of communications plant in service: Poles and antenna supporting structures, aerial cable, underground cable, buried cable, submarine cable, deep sea cable, intrabuilding network cable, aerial wire and conduit systems.</p> <p>(b) For separations purposes, it is necessary to analyze the cable and wire facilities classified in subordinate records in order to determine their assignment to the categories listed in the following paragraphs.</p> <p>(c) In the separation of the cost of cable and wire facilities among the operations, the first step is the assignment of the facilities to certain categories. The basic method of making this assignment is the identification of the facilities assignable to each category and the determination of the cost of the facilities so identified. Because of variations among companies in the character of the facilities and operating conditions, and in the accounting and engineering records maintained, the detailed methods followed, of necessity, will vary among the companies. The general principles to be followed, however, will be the same for all companies.</p> <p>(d) The second step is the apportionment of the cost of the facilities in each category among the operations through the application of appropriate factors or by direct assignment.</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p>	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property</p> <p>Cable and Wire Facilities</p> <p>Sec. 36.152 Categories of Cable and Wire Facilities (C&amp;WF).</p> <p>(a) C&amp;WF are basically divided between exchange and interexchange. Exchange C&amp;WF consists of the following categories:</p> <p>(1) Exchange Line C&amp;WF Excluding Wideband--Category 1--This category includes C&amp;W facilities between local central offices and subscriber premises used for message telephone, TWX subscriber lines, private line, local channels, and for circuits between control terminals and radio stations providing very high frequency maritime service or urban or highway mobile service.</p> <p>(2) Wideband and Exchange Trunk C&amp;WF--Category 2--This category includes all wideband, including Exchange Line Wideband and C&amp;WF between local central offices and Wideband facilities. It also includes C&amp;WF between central offices or other switching points used by any common carrier for interlocal trunks wholly within an exchange or metropolitan service area, interlocal trunks with one or both terminals outside a metropolitan service area carrying some exchange traffic, toll connecting trunks, tandem trunks principally carrying exchange traffic, the exchange trunk portion of TWX and WATS access lines the exchange trunk portion of private line local channels, and the exchange trunk portion of circuits between control terminals and radio stations providing very high frequency maritime service or urban or highway mobile service.</p> <p>(3) The procedures for apportioning the cost of exchange cable and wire facilities among the operations are set forth in Sec. Sec. 36.154 and 36.155.</p> <p>(b) Interexchange C&amp;WF--Category 3--This category includes the C&amp;WF used for message toll and toll private line services. It includes cable and wire facilities carrying intertoll circuits, tributary circuits, the interexchange channel portion of special service circuits, circuits between control terminals and radio stations used for overseas or coastal harbor service, interlocal trunks between offices in the different exchange or metropolitan service areas carrying only message toll traffic and certain tandem trunks which carry principally message toll traffic.</p> <p>(1) The procedures for apportioning the cost of interexchange cable and wire facilities among the operations are set forth in Sec. 36.156.</p> <p>(c) Host/Remote Message C&amp;WF--Category 4--This category includes the cost of message host/remote location C&amp;WF for which a message circuit switching function is performed at the host central office. It applies to C&amp;WF between host offices and all remote locations. The procedures for apportioning the cost of these facilities among the operations are set forth in Sec. 36.157.</p> <p>(d) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41, shall assign the average balance of Account 2410 to the categories/subcategories, as specified in Sec. Sec. 36.152(a) through (c), based on the relative percentage assignment of the average balance of Account 2410 to these categories/subcategories during the twelve month period ending December 31, 2000.</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p>	

[52 FR 17229, May 6, 1987, as amended at 66 FR 33206, June 21, 2001]

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B --Telecommunications Property - Cable and Wire Facilities</p> <p>Sec. 36.153 Assignment of Cable and Wire Facilities (C&amp;WF) to categories.</p> <p>(a) Cable consists of: Aerial cable, underground cable, buried cable, submarine cable, deep sea cable and intrabuilding network cable. Where an entire cable or aerial wire is assignable to one category, its cost and quantity are, where practicable, directly assigned.</p> <p>(1) Cable. (i) There are two basic methods for assigning the cost of cable to the various categories. Both of them are on the basis of conductor cross section. The methods are as follows:</p> <p>(A) By section of cable, uniform as to makeup and relative use by categories. From an analysis of cable engineering and assignment records, determine in terms of equivalent gauge the number of pairs in use or reserved, for each category. The corresponding percentages of use, or reservation, are applied to the cost of the section of cable, i.e., sheath meters times unit cost per meter, to obtain the cost assignable to each category.</p> <p>(B) By using equivalent pair kilometers, i.e., pair kilometers expressed in terms of equivalent gauge. From an analysis of cable engineering and assignment records, determine the equivalent pair kilometers in use for each category by type of facility, e.g., quadded, paired. The equivalent pair kilometers are then divided by a cable fill factor to obtain the equivalent pair kilometers in plant. The total equivalent pair kilometers in plant assigned to each category is summarized by type of facility, e.g., quadded and paired, and priced at appropriate average unit costs per equivalent pair kilometer in plant. If desired, this study may be made in terms of circuit kilometers rather than physical pair kilometers, with average cost and fill data consistent with the basis of the facilities kilometer count.</p> <p>(ii) In the assignment of the cost of cable under the two basic methods described in Sec. 36.153(a)(1)(i) consideration is given to the following:</p> <p>(A) Method (A) described in Sec. 36.153(a)(1)(i)(A) will probably be found more desirable where there is a relatively small amount of cable of variable make-up and use by categories. Conversely, method (B) described in Sec. 36.153(a)(1)(i)(B) will probably be more desirable where there is a large amount of cable of variable make-up and use by categories. However, in some cases a combination of both methods may be desirable.</p> <p>(B) It will be desirable in some cases to determine the amount assignable to a particular category by deducting from the total the sum of the amounts assigned to all other categories.</p> <p>(C) For use in the assignment of poles to categories, the equivalent sheath kilometers of aerial cable assigned to each category are determined. For convenience, these quantities are determined in connection with assignment of cable costs.</p> <p>(D) Where an entire cable is assignable to one category, its costs and quantity are, where practicable, directly assigned.</p> <p>(iii) For cables especially arranged for high-frequency transmission such as shielded, disc-insulated and coaxial, recognition is given to the additional costs which are charged to the high-frequency complement.</p> <p>(2) Cable Loading. (i) Methods for assigning the cost of loading coils, cases, etc., to categories are comparable with those used in assigning the associated cable to categories. Loading associated with cable which is directly assigned to a given category is also directly assigned. The remaining loading is assigned to categories in either of the following bases:</p> <p>(A) By an analysis of the use made of the loading facilities where a loading coil case includes coils assignable to more than one category, e.g., in the case of a single gauge uniformly loaded section, the percentage used in the related cable assignment are applicable, or</p> <p>(B) By pricing out each category by determining the pair meters of loaded pairs assigned to each category and multiplying by the unit cost per pair meter of loading by type.</p> <p>(3) Other Cable Plant. (i) In view of the small amounts involved, the cost of all protected terminals and gas pressure contactor terminals in the toll cable subaccounts is assigned to the appropriate Interexchange Cable &amp; Wire Facilities categories. The cost of all other terminals in the exchange and toll cable subaccounts is assigned to Exchange Cable and Wire Facilities.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart B--Telecommunications Property Cable and Wire Facilities		
Sec. 36.153 Assignment of Cable and Wire Facilities (C&WF) to categories ( <b>continued</b> )		
(b) Aerial Wire. (1) The cost of wire accounted for as exchange is assigned to the appropriate Exchange Cable & Wire Facilities categories. The cost of wire accounted for as toll, which is used for exchange, is also assigned to the appropriate Exchange Cable & Wire Facilities categories. The cost of the remaining wire accounted for as toll is assigned to the appropriate Interexchange Cable & Wire Facilities categories as described in Sec. 36.156. For companies not maintaining exchange and toll subaccounts, it is necessary to review the plant records and identify wire plant by use. The cost of wire used for providing circuits directly assignable to a category is assigned to that category. The cost of wire used for providing circuit facilities jointly used for exchange and interexchange lines is assigned to categories on the basis of the relative number of circuit kilometers involved.	X	
(c) Poles and Antenna Supporting Structures. (1) In the assignment of these costs, anchors, guys, crossarms, antenna supporting structure, and right-of-way are included with the poles. (2) Poles. (i) The cost of poles is assigned to categories based on the ratio of the cost of poles to the total cost of aerial wire and aerial cable.	X	
(d) Conduit Systems. (1) The cost of conduit systems is assigned to categories on the basis of the assignment of the cost of underground cable.	X	
[53 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988; 58 FR 44905, Aug. 25, 1993]		

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47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Cable and Wire Facilities</p> <p>Sec. 36.154 Exchange Line Cable and Wire Facilities (C&amp;WF)—Category 1--apportionment procedures.</p> <p>(a) Exchange Line C&amp;WF--Category 1. The first step in apportioning the cost of exchange line cable and wire facilities among the operations is the determination of an average cost per working loop. This average cost per working loop is determined by dividing the total cost of exchange line cable and wire Category 1 in the study area by the sum of the working loops described in subcategories listed below. The subcategories are:</p> <p>Subcategory 1.1--State Private Lines and State WATS Lines. This subcategory shall include all private lines and WATS lines carrying exclusively state traffic as well as private lines and WATS lines carrying both state and interstate traffic if the interstate traffic on the line involved constitutes ten percent or less of the total traffic on the line.</p> <p>Subcategory 1.2--Interstate private lines and interstate WATS lines. This subcategory shall include all private lines and WATS lines that carry exclusively interstate traffic as well as private lines and WATS lines carrying both state and interstate traffic if the interstate traffic on the line involved constitutes more than ten percent of the total traffic on the line.</p> <p>Subcategory 1.3--Subscriber or common lines that are jointly used for local exchange service and exchange access for state and interstate interexchange services.</p> <p>(b) The costs assigned to subcategories 1.1 and 1.2 shall be directly assigned to the appropriate jurisdiction.</p> <p>(c) Except as provided in Sec. 36.154 (d) through (f), effective January 1, 1986, 25 percent of the costs assigned to subcategory 1.3 shall be allocated to the interstate jurisdiction.</p> <p>(d) Except as provided in Sec. 36.154(f), the interstate allocation of subcategory 1.3 costs for the years 1988, 1989, 1990, 1991 and 1992 will be as follows:</p> <p>(1) 1988--The Sec. 36.154(e) allocation factor multiplied by .625 plus .09375.</p> <p>(2) 1989--The Sec. 36.154(e) allocation factor multiplied by .5 plus .125.</p> <p>(3) 1990--The Sec. 36.154(e) allocation factor multiplied by .375 plus .15625.</p> <p>(4) 1991--The Sec. 36.154(e) allocation factor multiplied by .25 plus .1875.</p> <p>(5) 1992--The Sec. 36.154(e) allocation factor multiplied by .125 plus .21875.</p>	<p>X</p> <p>X</p> <p>X</p>	<p>X</p>

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Cable and Wire Facilities</p> <p>Sec. 36.154 Exchange Line Cable and Wire Facilities (C&amp;WF)—Category 1--apportionment procedures <b>(continued)</b></p> <p>(e) For purposes of the transitional allocations described in Sec. 36.154 (d) and (f) an allocation factor known as the subscriber plant factor or SPF that is the sum of the following shall be computed:</p> <p>(1) Annual average interstate subscriber line use (SLU), for the calendar year 1981.\2\ representing the interstate use of the subscriber plant as measured by the ratio of interstate holding time minutes of use to total holding time minutes of use applicable to traffic originating and terminating in the study area, multiplied by .85, the nationwide ratio of subscriber plant costs assignable to the exchange operation per minute of exchange use to total subscriber plant cost per total minute of use of subscriber plant, plus</p> <p>-----</p> <p>\2\ In the case of a company that cannot calculate the average interstate subscriber line usage (SLU) ratio for the calendar year 1981, the average interstate SLU for the customarily used 12-month study period ending in 1981 may be utilized. In the case of a company for which no such 1981 annual average SLU exists, the annual average interstate SLU for the initial study period will be utilized.</p> <p>-----</p> <p>(2) Twice the annual average interstate subscriber line use ratio for the study area for the calendar year 1981, multiplied by the annual average composite station rate ratio used for the calendar year 1981 (ratio of the nationwide, industry-wide average interstate initial 3-minute station charge at the study area average interstate length of haul to the nationwide, industry-wide average total toll initial 3-minute station charge at the nationwide average length of haul for all toll traffic for the total telephone industry).</p>	X	

## Appendix 1 -- Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Cable and Wire Facilities</p> <p>Sec. 36.154 Exchange Line Cable and Wire Facilities (C&amp;WF)—Category 1--apportionment procedures <b>(continued)</b></p> <p>(f) Limit on Change in Interstate Allocation.</p> <p>(1) No study area's percentage interstate allocation for Subcategory 1.3 Exchange Line C&amp;WF and COE, Exchange Line Circuit Equipment Excluding Wideband--Category 4.13 investment as well as associated maintenance and depreciation shall decrease by a total of more than five percentage points from one calendar year to the next as a result of the combined operations of Sec. Sec. 54(d) and 36.641 (a) and (b).</p> <p>(2) The determination of whether the decrease in the interstate allocation for a given study area resulting from the operation of Sec. Sec. 36.154(d) and 36.641(a) through 36.641(b) exceeds five percentage points shall be made by calculating a percentage interstate allocation for both of the years involved. This shall be done by dividing the interstate allocation of subcategory 1.3 Exchange Line C&amp;WF and COE exchange Line circuit Equipment Excluding Wideband Category 4.13 and associated expenses for each year as calculated pursuant to Sec. 36.154(f)(4) by the total unseparated investment in Exchange Line C&amp;WF subcategory 1.3 and COE Category 4.13 and associated expenses for the corresponding year as calculated pursuant to Sec. 36.154(f)(5).</p> <p>(3) If the resulting percentage for the more recent of the two years is more than five percentage points less than the percentage for the earlier year, the decrease in the interstate allocations shall be reduced pro rata for plant investment, maintenance and depreciation so that the difference between the two percentages does not equal more than five percentage points.</p> <p>(4) The sum of the following:</p> <p>(i) The net interstate allocation of Exchange Line C&amp;WF--subcategory 1.3 investment calculated pursuant to Sec. 36.154(d) and (e) multiplied by the authorized interstate rate of return.</p> <p>(ii) The net interstate allocation of COE Exchange Line Circuit Equipment--Category 4.13 investment calculated pursuant to Sec. 36.154 (d) and (e) multiplied by the authorized interstate rate of return.</p> <p>(iii) The interstate allocation of maintenance and depreciation attributable to Exchange Line C&amp;WF subcategory 1.3 customer premises wire and COE Exchange Line Circuit Equipment--Category 4.13 calculated pursuant to Sec. 36.154 (d) and (e).</p> <p>(iv) The amount of the additional interstate expense allocation calculated pursuant to Sec. 36.641.</p> <p>(5) The sum of the following:</p> <p>(i) The net unseparated Exchange Line C&amp;WF subcategory 1.3 investment multiplied by the authorized interstate rate of return.</p> <p>(ii) The net unseparated COE Exchange Line Circuit--Category 4.13 investment multiplied by the authorized interstate rate of return.</p> <p>(iii) The unseparated maintenance and depreciation attributable to Exchange Line C&amp;WF subcategory 1.3 investment, customer premises wiring investment and COE Exchange Line Circuit Equipment--Category 4.13 investment.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Cable and Wire Facilities</p> <p>Sec. 36.154 Exchange Line Cable and Wire Facilities (C&amp;WF)—Category 1--apportionment procedures <b>(continued)</b></p> <p>(g) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Subcategory 1.3 Exchange Line C&amp;WF among the jurisdictions as specified in Sec. 36.154(c). Direct assignment of subcategory Categories 1.1 and 1.2 Exchange Line C&amp;WF to the jurisdictions shall be updated annually as specified in Sec. 36.154(b).</p> <p>[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988; 54 FR 31033, July 26, 1989; 66 FR 33206, June 21, 2001; 67 FR 17014, Apr. 9, 2002]</p>	X	
<p>Subpart B--Telecommunications Property Cable and Wire Facilities</p> <p>Sec. 36.155 Wideband and exchange trunk (C&amp;WF)—Category 2—apportionment procedures.</p> <p>(a) The cost of C&amp;WF applicable to this category shall be directly assigned where feasible. If direct assignment is not feasible, cost shall be apportioned between the state and interstate jurisdictions on the basis of the relative number of minutes of use.</p> <p>(b) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Category 2 Wideband and exchange trunk C&amp;WF among the jurisdictions using the relative number of minutes of use, as specified in Sec. 36.155(a), for the twelve-month period ending December 31, 2000. Direct assignment of any Category 2 equipment to the jurisdictions shall be updated annually.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33206, June 21, 2001]</p>	X  X	
<p>Subpart B--Telecommunications Property Cable and Wire Facilities</p> <p>Sec. 36.156 Interexchange Cable and Wire Facilities (C&amp;WF)—Category 3—apportionment procedures.</p> <p>(a) An average interexchange cable and wire facilities cost per equivalent interexchange telephone circuit kilometer for all circuits in Category 3 is determined and applied to the equivalent interexchange telephone circuit kilometer counts of each of the classes of circuits.</p> <p>(b) The cost of C&amp;WF applicable to this category shall be directly assigned were feasible. If direct assignment is not feasible, cost shall be apportioned between the state and interstate jurisdiction on the basis of conversation-minute kilometers as applied to toll message circuits, TWX circuits, etc.</p> <p>(c) Effective July 1, 2001, through June 30, 2006, all study areas shall directly assign Category 3 Interexchange Cable and Wire Facilities C&amp;WF where feasible. All study areas shall apportion the non-directly assigned costs in Category 3 equipment to the jurisdictions using the relative use measurements, as specified in Sec. 36.156 (b), during the twelve-month period ending December 31, 2000.</p> <p>[58 FR 44905, Aug. 25, 1993, as amended at 66 FR 33206, June 21, 2001]</p>	X  X  X	



## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Cable and Wire Facilities</p> <p>Sec. 36.157 Host/remote message Cable and Wire Facilities (C&amp;WF)—Category 4—apportionment procedures.</p> <p>(a) Host/Remote Message C&amp;WF—Category 4. The cost of host/remote C&amp;WF used for message circuits, i.e., circuits carrying only message traffic, is included in this category.</p> <p>(1) The cost of host/remote message C&amp;WF excluding WATS closed end access lines for the study area is apportioned on the basis of the relative number of study area minutes-of-use kilometers applicable to such facilities.</p> <p>(2) The cost of host/remote message C&amp;WF used for WATS closed end access for the study area is directly assigned to the appropriate jurisdiction.</p> <p>(b) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Category 4 Host/Remote message Cable and Wire Facilities C&amp;WF among the jurisdictions using the relative number of study area minutes-of-use kilometers applicable to such facilities, as specified in Sec. 36.157(a)(1), for the twelve month period ending December 31, 2000. Direct assignment of any Category 4 equipment to the jurisdictions shall be updated annually.</p> <p>[52 FR 17229, May 6, 1987, as amended at 58 FR 44905, Aug. 25, 1993; 66 FR 33206, June 21, 2001]</p>	X	
<p>Subpart B--Telecommunications Property Amortizable Assets</p> <p>Sec. 36.161 Tangible assets—Account 2680.</p> <p>(a) Tangible Assets, Account 2680 includes the costs of property acquired under capital leases and the original cost of leasehold improvements.</p> <p>(b) The costs of capital leases are apportioned among the operations based on similar plant owned or by analysis.</p> <p>(c) The cost of leasehold improvements are apportioned among the operations in direct proportion to the costs of the related primary account.</p>	X	
<p>Subpart B--Telecommunications Property Amortizable Assets</p> <p>Sec. 36.162 Intangible assets—Account 2690.</p> <p>(a) Intangible Assets, Account 2690 includes the costs of organizing and incorporating the company, franchises, patent rights, and other intangible property having a life of more than one year.</p> <p>(b) The amount included in this account is apportioned among the operations on the basis of the separation of the cost of Telecommunications Plant In Service, Account 2001, excluding the Intangible Assets, Account 2690.</p>	X	

## Appendix 1 – Rules

[illegible]

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART B	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart B--Telecommunications Property Equal Access Equipment</p> <p>Sec. 36.191 Equal access equipment.</p> <p>(a) Equal access investment includes only initial incremental expenditures for hardware and other equipment related directly to the provision of equal access which would not be required to upgrade the capabilities of the office involved absent the provision of equal access. Equal access investment is limited to such expenditures for converting central offices which serve competitive interexchange carriers or where there has been a bona fide request for conversion to equal access.</p> <p>(b) Equal access investment is first segregated from all other amounts in the primary accounts.</p> <p>(c) The equal access investment determined in this manner is allocated between the jurisdictions on the basis of relative state and interstate equal access traffic including interstate interLATA equal access traffic, intrastate interLATA equal access traffic, and BOC interstate corridor toll traffic as well as AT&amp;T and OCC intraLATA equal access usage. Local exchange traffic and BOC intraLATA toll traffic is excluded. In the case of independent telephone companies, intrastate toll service provided by the independent local exchange company is excluded in determining intrastate usage, but intrastate toll service provided by long distance carriers affiliated with the local exchange company is included.</p> <p>(d) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Equal Access Equipment, as specified in Sec. 36.191(a), among the jurisdictions using the relative state and interstate equal access traffic, as specified in Sec. 36.191(c), for the twelve month period ending December 31, 2000.</p> <p>[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988; 66 FR 33206, June 21, 2001]</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p>	

## Appendix 1 – Rules

PART 36 - Jurisdictional Separations Procedures; Standard Procedures for Separating  
Telecommunications Property Costs, Revenues, Expenses, Taxes and Reserves for Telephone Companies  
Subpart C – Operating Revenues and Certain Income Accounts

47 C.F.R. PART 36 SUBPART C	Action Requested	
	For- bear	No Action (Does not apply to BST today)
Subpart C--Operating Revenues and Certain Income Accounts General		
Sec. 36.201 Section arrangement. (a) This subpart is arranged in sections as follows:	X	
General..... 36.202		
Operating Revenues..... 36.211		
Basic local services revenue--Account 5000 (Class B telephone companies);		
Basic area revenue--Account 5001 (Class A telephone companies).....		
Network Access Revenues--Accounts 5081 thru 5083.....		
Long Distance Message Revenue--Account 5100.....		
Miscellaneous Revenue--Account 5200.....		
Uncollectible Revenue--Account 5300.....		
Certain Income Accounts:		
Other Operating Income and Expenses--Account 7100.....		
Nonoperating Income and Expenses--Account 7300.....		
Interest and Related Items--Account 7500.....		
Extraordinary Items--Account 7600.....		
Income Effect of Jurisdictional Ratemaking Differences--Account 7910.....		
[69 FR 12550, Mar. 17, 2004]		
Subpart C--Operating Revenues and Certain Income Accounts General		
Sec. 36.202 General.		
(a) This section sets forth procedures for the apportionment among the operations of operating revenues and certain income and expense accounts.	X	
(b) Except for the Network Access Revenues, subsidiary record categories are maintained for all revenue accounts in accordance with the requirements of part 32. These subsidiary records identify services for the appropriate jurisdiction and will be used in conjunction with apportionment procedures stated in this manual.	X	
[52 FR 17299, May 6, 1987, as amended at 69 FR 12550, Mar. 17, 2004]		

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART C	Action Requested	
	For- bear	No Action (Does not apply to BST today)
Subpart C--Operating Revenues and Certain Income Accounts Operating Revenues		
Sec. 36.211 General.		
(a) Operating revenues are included in the following accounts:	X	
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Account title	Account No.	
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Basic local service revenue (Class B telephone companies)....	5000	
Basic Area Revenue (Class A telephone companies).....	5001	
Network Access Revenues:		
End User Revenue.....	5081	
Switched Access Revenue.....	5082	
Special Access Revenue.....	5083	
Long Distance Message Revenue.....	5100	
Miscellaneous Revenue.....	5200	
Uncollectible Revenue.....	5300	
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[69 FR 12550, Mar. 17, 2004]		
Subpart C--Operating Revenues and Certain Income Accounts Operating Revenues		
Sec. 36.212 Basic local services revenue--Account 5000 (Class B telephone companies); Basic area revenue--Account 5001 (Class A telephone companies).		
(a) Local private line revenues from broadcast program transmission audio services and broadcast program transmission video services are assigned to the interstate operation.	X	
(b) Revenues that are attributable to the origination or termination of interstate FX or CCSA like services shall be assigned to the interstate jurisdiction.	X	
(c) Wideband Message Service and TWX revenues from monthly and miscellaneous charges, service connections, move and change charges, are apportioned between state and interstate operations on the basis of the relative number of TWX minutes-of-use in the study area. Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Wideband Message Service and TWX revenues among the jurisdictions using the relative number of TWX minutes of use for the twelve-month period ending December 31, 2000.	X	
(d) All other revenues in this account are assigned to the exchange operation based on their subsidiary record categories or on the basis of analysis and studies.	X	
[52 FR 17229, May 6, 1987, as amended at 66 FR 33206, June 21, 2001]		

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART C	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart C--Operating Revenues and Certain Income Accounts Operating Revenues Sec. 36.213 Network access services revenues.</p> <p>(a) End User Revenue--Account 5081. Revenues in this account are directly assigned on the basis of analysis and studies.</p> <p>(b) Switched Access Revenue--Account 5082. Revenues in this account are directly assigned on the basis of analysis and studies.</p> <p>(c) Special Access Revenue--Account 5083. Revenues in this account are directly assigned on the basis of analysis and studies.</p> <p>[52 FR 17299, May 6, 1987, as amended at 69 FR 12550, Mar. 17, 2004]</p>	<p>X</p> <p>X</p> <p>X</p>	
<p>Subpart C--Operating Revenues and Certain Income Accounts Operating Revenues Sec. 36.214 Long distance message revenue--Account 5100.</p> <p>(a) Wideband message service and TWX revenues from monthly and miscellaneous charges, service connections, move and change charges, are apportioned between state and interstate operations on the basis of the relative number of minutes-of-use in the study area. Effective July 1, 2001 through June 30, 2006, all study areas shall apportion Wideband Message Service and TWX revenues among the jurisdictions using the relative number of TWX minutes of use for the twelve-month period ending December 31, 2000.</p> <p>(b) Long Distance private line service revenues from broadcast program transmission audio services and broadcast program transmission video services are assigned to the interstate operation.</p> <p>(c) All other revenues in this account are directly assigned based on their subsidiary record categories or on the basis of analysis and studies.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33206, June 21, 2001]</p>	<p>X</p> <p>X</p> <p>X</p>	
<p>Subpart C--Operating Revenues and Certain Income Accounts Operating Revenues Sec. 36.215 Miscellaneous revenue--Account 5200.</p> <p>(a) Directory revenues are assigned to the exchange operation.</p> <p>(b) Billing and collection revenues are assigned on the basis of services being provided.</p> <p>(c) All other revenues are apportioned on the basis of analysis.</p>	<p>X</p> <p>X</p> <p>X</p>	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART C	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart C--Operating Revenues and Certain Income Accounts Operating Revenues</p> <p>Sec. 36.216 Uncollectible revenue--Account 5300.</p> <p>The amounts in this account are apportioned among the operations on the basis of analysis during a representative period of the portion of Account 1171, Allowance for doubtful accounts, related to telecommunications billing.</p> <p>[69 FR 12551, Mar. 17, 2004]</p>	X	
<p>Subpart C--Operating Revenues and Certain Income Accounts Certain Income Accounts</p> <p>Sec. 36.221 Other operating income and expenses--Account 7100.</p> <p>(a) Amounts relating to translation in foreign exchange differentials are assigned to the interstate operations.</p> <p>(b) All other amounts are apportioned based on Telecommunications Plant in Service, Account 2001, if plant related, or on the nature of the item reflected in the account, if not plant related.</p>	X  X	
<p>Subpart C--Operating Revenues and Certain Income Accounts Certain Income Accounts</p> <p>Sec. 36.222 Nonoperating income and expenses--Account 7300.</p> <p>(a) Only allowance for funds used during construction, and charitable, social and community welfare contributions are considered in this account for separations purposes.</p> <p>(b) Subsidiary record categories should be maintained for this account that include identification of amounts made to the account for (1) credits representing allowance for funds used during construction and (2) contributions for charitable, social or community welfare purposes, employee activities, membership dues and fees in service clubs, community welfare association and similar organizations.</p> <p>(c) The portion reflecting allowance for funds used during construction is apportioned on the basis of the cost of Telecommunications Plant Under Construction--Account 2003. The portion reflecting costs for social and community welfare contributions and fees is apportioned on the basis of the apportionment of corporate operations expenses.</p> <p>[52 FR 17229, May 6, 1987, as amended at 60 FR 12138, Mar. 6, 1995]</p>	X  X  X	
<p>Subpart C--Operating Revenues and Certain Income Accounts Certain Income Accounts</p> <p>Sec. 36.223 Interest and related items--Account 7500.</p> <p>(a) Only interest paid relating to capital leases is considered in this account for separations purposes. Subsidiary Record Categories should be maintained for this account that include details relating to interest expense on capital leases. Such interest expense is apportioned on a basis consistent with the associated capital leases in Account 2680.</p>	X	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART C	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart C--Operating Revenues and Certain Income Accounts Certain Income Accounts</p> <p>Sec. 36.224 Extraordinary items--Account 7600.</p> <p>(a) Amounts in this account of an operating nature are apportioned on a basis consistent with the nature of these items.</p>	X	
<p>Subpart C—Operating Revenues and Certain Income Accounts Certain Income Accounts</p> <p>Sec. 36.225 Income effect of jurisdictional ratemaking differences--Account 7910.</p> <p>(a) Amounts in this account are directly assigned to the appropriate jurisdiction.</p>	X	



## Appendix 1 – Rules

### PART 36 - Jurisdictional Separations Procedures; Standard Procedures for Separating Telecommunications Property Costs, Revenues, Expenses, Taxes and Reserves for Telephone Companies

#### Subpart D – Operating Expenses and Taxes

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>General</p> <p>Sec. 36.301 Section arrangement.</p> <p>(a) This subpart is arranged in sections as follows:</p> <p>General..... 36.301 and 36.302.</p> <p>Plant Specific Operations Expenses:</p> <p>    General..... 36.310.</p> <p>    Network Support/General Support Expenses--Accounts 6110 and 6120 (Class B Telephone Companies); Accounts 6112, 6113, 6114, 6121, 6122, 6123, and 6124 (Class A Telephone Companies). 36.311</p> <p>    Central Office Expenses--Accounts 6210, 6220, 6230 (Class B Telephone Companies); Accounts 6211, 6212, 6220, 6231, and 6232 (Class A Telephone Companies). 36.321.</p> <p>    Information Origination/Termination Expenses--Account 6310 (Class B Telephone Companies); Accounts 6311, 6341, 6351, and 6362 (Class A Telephone Companies). 36.331.</p> <p>    Cable and Wire Facilities Expenses -- Account 6410 (Class B Telephone Companies); Accounts 6411, 6421, 6422, 6423, 6424, 6426, 6431, and 6441 (Class A Telephone Companies). 36.341.</p> <p>Plant Nonspecific Operations Expenses:</p> <p>    General..... 36.351.</p> <p>    Other Property Plant and Equipment Expenses--Account 6510 (Class B Telephone Companies); Accounts 6511 and 6512 (Class A Telephone Companies). 36.352.</p> <p>    Network Operations Expenses--Account 6530 (Class B Telephone Companies); Accounts 6531, 6532, 6533, 6534, and 6535 (Class A Telephone Companies). 36.353.</p> <p>    Access Expenses--Account 6540..... 36.354.</p> <p>    Depreciation and Amortization Expenses-- Account 6560. 36.361.</p>	X	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart D--Operating Expenses and Taxes General		
Sec. 36.301 Section arrangement.		
(a) This subpart is arranged in sections as follows: <b>(continued)</b>	X	
Customer Operations Expenses:		
General.....		36.371.
Marketing--Account 6610 (Class B Telephone Companies); Accounts 6611 and 6613 (Class A Telephone Companies).		36.372
Services--Account 6620.....		36.373.
Telephone Operator Services.....		36.374.
Published Directory Listing.....		36.375.
All Other.....		36.376.
Category 1--Local Bus. Office Expense..		36.377.
Category 2--Customer Services (Revenue Accounting).		36.378.
Message Processing Expense.....		36.379.
Other Billing and Collecting Expense...		36.380.
Carrier Access Charge Billing and Collecting Expense.		36.381.
Category 3--All other Customer Service Expense.		36.382.
Corporate Operations Expenses:		
General.....		36.391.
General and Administrative Expenses--Account 6720.		36.392.
Operating Taxes--Account 7200 (Class B Telephone Companies); Accounts 7210, 7220, 7230, 7240, and 7250 (Class A Telephone Companies).		36.411 and 36.412.
Equal Access Expenses.....		36.421.
[69 FR 12551, Mar. 17, 2004]		

## Appendix 1 – Rules

<b>47 C.F.R. PART 36 SUBPART D</b>	<b>Action Requested</b>	
	<b>For- bear</b>	<b>No Action</b> (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes General</p> <p>Sec. 36.302 General.</p> <p>(a) This section sets forth procedures for the apportionment among the operations of operating expenses and operating taxes.</p> <p>(b) As covered in Sec. 36.2 (c) and (d), the treatment of expenses relating to plant furnished to and obtained from others under rental arrangements is consistent with the treatment of such plant.</p> <p>(c) In accordance with requirements in part 32 Sec. 32.5999 (f) expenses recorded in the expense accounts are segregated in the accounting process among the following subsidiary record categories as appropriate to each account:</p> <p>Salaries and Wages Benefits Rents Other Expenses Clearances</p> <p>(1) Subsidiary Record Categories (SRC) for Salaries and Wages, Benefits and Other Expenses are applicable to all of the expense accounts except for:</p> <p>Access Expense contained in Account 6540 Depreciation and Amortization Expenses--Account 6560</p> <p>(i) SRC for access expenses are maintained to identify interstate and state access expense and billing and collection expense for carrier's carrier.</p> <p>(ii) Depreciation and Amortization Expense SRCs identify the character of the items contained in the account.</p> <p>(2) SRCs for Rents and Clearance are only applicable to the Plant Specific Operating Expense accounts 6110 thru 6410.</p>	<p>X</p> <p>X</p> <p>X</p>	

## Appendix 1 – Rules

[illegible]

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Central Office Expenses</p> <p>Sec. 36.321 Central office expenses--Accounts 6210, 6220, and 6230 (Class B telephone companies); Accounts 6211, 6212, 6220, 6231, and 6232 (Class A telephone companies).</p> <p>(a) The expenses related to central office equipment are summarized in the following accounts:</p> <p>Central Office Switching Expense..... Account 6210 (Class B telephone companies); Accounts 6211 and 6212 (Class A telephone companies).</p> <p>Operator Systems Expense..... Account 6220.</p> <p>Central Office Transmission Expense.....Account 6230 (Class B telephone companies); Accounts 6231 and 6232 (Class A telephone companies).</p> <p>(b) The expense in these accounts are apportioned among the operations on the basis of the separation of the investments in central office equipment. Accounts 2210, 2220 and 2230, combined.</p> <p>[52 FR 17229, May 6, 1987, as amended at 69 FR 12552, Mar. 17, 2004]</p>	<p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes</p> <p>Information Origination/Termination Expenses</p> <p>Sec. 36.331 Information origination/termination expenses--Account 6310 (Class B telephone companies); Accounts 6311, 6341, 6351, and 6362 (Class A telephone companies).</p> <p>(a) The expenses in this account are classified as follows:</p> <p>(1) Other Information Origination/Termination Equipment Expenses; Customer Premises Equipment Expenses</p> <p>(2) For some companies, these classifications are available from accounting records; for others, they are obtained by means of analyses of plant, accounting or other records for a representative period.</p> <p>(b) Other Information Origination/Termination Equipment Expenses include all expenses not associated with Customer Premises Equipment expenses. These expenses shall be apportioned between state and interstate operations in accordance with the apportionment of the related investment as per Sec. 36.142(a).</p> <p>(c) Expenses related to Customer Premises Equipment shall be assigned to the state operations.</p> <p>[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988]</p>	<p>X</p> <p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes</p> <p>Cable and Wire Facilities Expenses</p> <p>Sec. 36.341 Cable and wire facilities expenses--Account 6410 (Class B telephone companies); Accounts 6411, 6421, 6422, 6423, 6424, 6426, 6431, and 6441 (Class A telephone companies).</p> <p>(a) This account includes the expenses for poles, antenna supporting structures, aerial cable, underground cable, buried cable, submarine cable, deep sea cable, intrabuilding network cable, aerial wire, and conduit systems.</p> <p>(b) The general method of separating cable and wire facilities expenses among the operations is to assign them on the basis of Account 2410--Cable and Wire Facilities.</p>	<p>X</p> <p>X</p>	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Plant Nonspecific Operations Expenses</p> <p>Sec. 36.351 General.</p> <p>(a) Plant nonspecific operations expenses include the following accounts:</p> <p>Other Property Plant and Equipment Expenses .. Account 6510 (Class B telephone companies); Accounts 6511 and 6512 (Class A telephone companies). Network Operations Expenses..... Account 6530 (Class B telephone companies); Accounts 6531, 6532, 6533, 6534, and 6535 (Class A telephone companies). Access Expenses..... Account 6540. Depreciation and Amortization Expenses.... Account 6560.</p> <p>[69 FR 12552, Mar. 17, 2004]</p>	X	
<p>Subpart D--Operating Expenses and Taxes Plant Expenses--Other</p> <p>Sec. 36.352 Other property plant and equipment expenses--Account 6510 (Class B telephone companies); Accounts 6511 and 6512 (Class A telephone companies).</p> <p>(a) This account is used to record the expenses associated with (1) property held for future telecommunications use and (2) the provisioning of material and supplies.</p> <p>(b) The expenses in this account are apportioned among the operations based on the separation of Account 2001--Telecommunications Plant in Service.</p>	X  X	
<p>Subpart D--Operating Expenses and Taxes Network Operations Expenses</p> <p>Sec. 36.353 Network operations expenses--Account 6530 (Class B telephone companies); Accounts 6531, 6532, 6533, 6534, and 6535 (Class A telephone companies).</p> <p>(a) This account includes the expenses associated with the provisions of power, network administration, testing, plant operations administration, and engineering.</p> <p>(b) The expenses in this account are apportioned among the operations based on the separations of Account 2210, Central Office Switching, Account 2220 Operator Systems, Account 2230 Central Office Transmission, Account 2310, Information Origination/Termination and Account 2410, Cable and Wire Facilities, Combined.</p>	X  X	
<p>Subpart D--Operating Expenses and Taxes Network Operations Expenses</p> <p>Sec. 36.354 Access expenses--Account 6540.</p> <p>(a) This account includes access charges paid to exchange carriers for exchange access service. These are directly assigned to the appropriate jurisdiction based on subsidiary record categories or on analysis and study.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Depreciation and Amortization Expenses</p> <p>Sec. 36.361 Depreciation and amortization expenses--Account 6560.</p> <p>(a) This account includes the depreciation expenses for telecommunications plant in service and for property held for future telecommunications use. It also includes the amortization expense for tangible and intangible assets.</p> <p>(b) Expenses recorded in this account shall be separated on the basis of the separation of the associated primary Plant Accounts or related categories.</p>	<p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.371 General.</p> <p>Customer Operations Expenses are included in the following accounts:</p> <p>Marketing..... Account 6610 (Class B telephone companies); Accounts 6611 and 6613 (Class A telephone companies). Services..... Account 6620.</p> <p>[69 FR 12552, Mar. 17, 2004]</p>	<p>X</p>	
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.372 Marketing--Account 6610 (Class B telephone companies); Accounts 6611 and 6613 (Class A telephone companies).</p> <p>The expenses in this account are apportioned among the operations on the basis of an analysis of current billing for a representative period, excluding current billing on behalf of others and billing in connection with intercompany settlements. Effective July 1, 2001 through June 30, 2006, all study areas shall apportion expenses in this account among the jurisdictions using the analysis, as specified in Sec. 36.372(a), during the twelve-month period ending December 31, 2000.</p> <p>[52 FR 32923, Sept. 1, 1987, as amended at 66 FR 33207, June 21, 2001]</p>	<p>X</p>	
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.373 Services--Account 6620.</p> <p>(a) For apportionment purposes, the expenses in this account are first segregated on the basis of an analysis of job functions into the following classifications: Telephone operator services; publishing directory listing; and all other.</p> <p>(1) Expenses may be apportioned among the operations for groups of exchanges. A group of exchanges may include all exchanges in the study area.</p>	<p>X</p>	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Customer Operations Expenses</p> <p>Sec. 36.374 Telephone operator services.</p> <p>(a) Expenses in this classification include costs incurred for operators in call completion service and number services. This includes intercept, quoting rates, directory information, time charges, and all other operator functions performed in the central office, private branch exchange, teletypewriter exchange, and at public telephone stations.</p> <p>(b) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the Telephone operator expense classification based on the relative percentage assignment of the balance of Account 6620 to this classification during the twelve month period ending December 31, 2000.</p> <p>(c) Expenses in this classification are apportioned among the operations on the basis of the relative number of weighted standard work seconds as determined by analysis and study for a representative period.</p> <p>(d) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Telephone operator expenses among the jurisdictions using the relative number of weighted standard work seconds, as specified in Sec. 36.374(c), during the twelve-month period ending December 31, 2000.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33207, June 21, 2001]</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p>	



## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Customer Operations Expenses</p> <p>Sec. 36.375 Published directory listing.</p> <p>(a) This classification includes expenses for preparing or purchasing, compiling and disseminating directory listings.</p> <p>(b) Published directory expense is assigned as follows:</p> <p>(1) Classified directory expense and all expense of soliciting advertising is assigned to the exchange operation.</p> <p>(2) TWX directory expense is assigned to State toll and interstate toll operations, respectively, on the basis of the relative number of TWX minutes-of-use.</p> <p>(3) The expense of alphabetical and street address directories and traffic information records is apportioned among the operations on the basis of the relative number of study area subscriber line minutes-of-use applicable to each operation.</p> <p>(4) The expense associated with directories and traffic information records prepared for one locality and used in another locality is known as "foreign directories expense." Such expense is assigned to the appropriate operation on the basis of the location of the point where used with respect to the locality for which the directories and records were prepared.</p> <p>(5) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41, shall assign the balance of Account 6620-Services to the classifications, as specified in Sec. Sec. 36.375(b)(1) through 36.375(b)(4), based on the relative percentage assignment of the balance of Account 6620 to these classifications during the twelve month period ending December 31, 2000.</p> <p>(6) Effective July 1, 2001 through June 30, 2006, all study areas shall apportion Published directory listing expenses using the underlying relative use measurements, as specified in Sec. Sec. 36.375(b)(1) through 36.375(b)(4), during the twelve-month period ending December 31, 2000. Direct assignment of any Publishing directory listing expense to the jurisdictions shall be updated annually.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33207, June 21, 2001]</p>	<p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes</p> <p>Customer Operations Expenses</p> <p>Sec. 36.376 All other.</p> <p>(a) For apportionment purposes this classification must be divided into three categories:</p> <p>(1) Category 1--Local Business Office Expense.</p> <p>(2) Category 2--Customer Services Expense.</p> <p>(3) Category 3--All Other Customer Services Expense.</p>	<p>X</p>	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000.</p> <p>(1) End-user service order processing includes expenses related to the receipt and processing of end users' orders for service and inquiries concerning service. This subcategory does not include any service order processing expenses for services provided to the interexchange carriers. End user service order processing expenses are first segregated into the following subcategories based on the relative number of actual contacts which are weighted, if appropriate, to reflect differences in the average work time per contact: Local service order processing; presubscription; directory advertising; State private line and special access; interstate private line and special access; other State message toll including WATS; other interstate message toll including WATS; and TWX.</p> <p>(i) Local service order processing expense (primarily local telephone service orders) is assigned to the State jurisdiction.</p> <p>(ii) Presubscription service order processing expense is assigned to the interstate jurisdiction.</p> <p>(iii) Directory advertising service order processing expense is assigned to the State jurisdiction.</p> <p>(iv) State private line and special access service order processing expense is assigned to the State jurisdiction.</p> <p>(v) Interstate private line and special access service order processing expense is assigned to the interstate jurisdiction.</p> <p>(vi) Other State message toll including WATS service order processing expense is assigned to the State jurisdiction.</p> <p>(vii) Other Interstate message toll including WATS service order processing expense is assigned to the interstate jurisdiction.</p> <p>(viii) TWX service order processing expense is allocated between the jurisdictions based on relative State and interstate billed TWX revenues.</p> <p>(ix) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the categories/subcategories, as specified in Sec. Sec. 36.377(a)(1)(i) through 36.77(a)(1)(viii), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. Effective July 1, 2001 through June 30, 2006, all study areas shall apportion TWX service order processing expense, as specified in Sec. 36.377(a)(1)(viii) among the jurisdictions using relative billed TWX revenues for the twelve-month period ending December 31, 2000. All other subcategories of End-user service order processing expense, as specified in Sec. Sec. 36.377(a)(1)(i) through 36.377(a)(1)(viii), shall be directly assigned.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. <b>(continued)</b></p> <p>(2) End User payment and collection includes expenses incurred in relation to the payment and collection of amounts billed to end users. It also includes commissions paid to payment agencies (which receive payment on customer accounts) and collection agencies. This category does not include any payment or collection expenses for services provided to interexchange carriers. End user payment and collection expenses are first segregated into the following subcategories based on relative total state and interstate billed revenues (excluding revenues billed to interexchange carriers and/or revenues deposited in coin boxes) for services for which end user payment and collection is provided: State private line and special access; interstate private line and special access; State message toll including WATS; interstate message toll including WATS, and interstate subscriber line charge; local, including directory advertising; and TWX.</p> <p>(i) State private line and special access payment and collection expense is assigned to the State jurisdiction.</p> <p>(ii) Interstate private line and special access payment and collection expense is assigned to the interstate jurisdiction.</p> <p>(iii) State message toll including WATS payment and collection expense is assigned to the State jurisdiction.</p> <p>(iv) Interstate message toll including WATS and interstate subscriber line charge payment and collection expense is assigned to the interstate jurisdiction.</p> <p>(v) Local, including directory advertising payment and collection expense is assigned to the State jurisdiction.</p> <p>(vi) TWX payment and collection expense is allocated between the jurisdictions based on relative State and interstate billed TWX revenues for service for which end user payment and collection is provided.</p> <p>(vii) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. Sec. 36.377(a)(2)(i) through 36.377(a)(2)(vi), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. Effective July 1, 2001 through June 30, 2006, all study areas shall apportion TWX payment and collection expense, as specified in Sec. 36.377(2)(vi) among the jurisdictions using relative billed TWX revenues for the twelve-month period ending December 31, 2000. All other subcategories of End User payment and collection expense, as specified in Sec. Sec. 36.377(a)(2)(i) through 36.377(a)(2)(vi), shall be directly assigned.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. <b>(continued)</b></p> <p>(3) End user billing inquiry includes expenses related to handling end users' inquiries concerning their bills. This category does not include expenses related to the inquiries of interexchange carriers concerning their bills. End user billing inquiry costs are first segregated into the following subcategories based on the relative number of actual contracts, weighted if appropriate, to reflect differences in the average work time per contact: State private line and special access; interstate private line and special access; State message toll including WATS, interstate message toll including WATS, interstate subscriber line charge; TWX; and other.</p> <p>(i) State private line and special access billing inquiry expense is directly assigned to the State jurisdiction.</p> <p>(ii) Interstate private line and special access billing inquiry expense is directly assigned to the interstate jurisdiction.</p> <p>(iii) State message toll including WATS billing inquiry expense is directly assigned to the State jurisdiction.</p> <p>(iv) Interstate message toll including WATS, and interstate subscriber line charge billing inquiry expense is directly assigned to the interstate jurisdiction.</p> <p>(v) TWX billing inquiry expense is allocated between the jurisdictions based on relative State and interstate billed TWX revenues for service for which end user billing inquiry is provided.</p> <p>(vi) Other billing inquiry expense (primarily related to local bills but also including directory advertising) is directly assigned to the State jurisdiction.</p> <p>(vii) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. Sec. 36.377(a)(3)(i) through 36.377(a)(3)(vi), based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000. Effective July 1, 2001 through June 30, 2006, all study areas shall apportion TWX billing inquiry expense, as specified in Sec. 36.377(a)(3)(v) among the jurisdictions using relative billed TWX revenues for the twelve-month period ending December 31, 2000. All other subcategories of End user billing inquiry expense, as specified in Sec. Sec. 36.377(a)(3)(i) through 36.377(a)(3)(vi), shall be directly assigned.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. <b>(continued)</b></p> <p>(4) Interexchange carrier service order processing includes expenses associated with the receipt and processing of interexchange carrier orders for service and inquiries about service. Interexchange carrier service order processing expenses are assigned to the following subcategories based on the relative number of actual contacts which are weighted, if appropriate, to reflect differences in the average work time per contact: State special access and private line; interstate special access and private line; State switched access and message toll including WATS; interstate switched access and message toll including WATS; State billing and collection; and interstate billing and collection.</p> <p>(i) State special access and private line service order processing expense is directly assigned to the State jurisdiction.</p> <p>(ii) Interstate special access and private line service order processing expense is directly assigned to the interstate jurisdiction.</p> <p>(iii) State switched access and message toll including WATS service order processing expense is directly assigned to the State jurisdiction.</p> <p>(iv) Interstate switched access and message toll including WATS service order processing expense is directly assigned to the interstate jurisdiction.</p> <p>(v) State billing and collection service order processing expense is directly assigned to the state jurisdiction.</p> <p>(vi) Interstate billing and collection service order processing expense is directly assigned to the interstate jurisdiction.</p> <p>(vii) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. Sec. 36.377(a)(4)(i) through 36.377(a)(4)(vi), based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000. All subcategories of Interexchange carrier service order processing expense, as specified in Sec. Sec. 36.377(a)(4)(i) through 36.377(a)(4)(vi), shall be directly assigned.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. <b>(continued)</b></p> <p>(5) Interexchange carrier payment and collection includes expenses associated with the payment and collection of interexchange carrier billings, including commissions paid to payment and collection agents. Interexchange carrier payment and collection expenses are assigned to the following subcategories based on relative total State and interstate revenues billed to the interexchange carriers: State special access and private line; interstate special access and private line; State switched access and message toll including WATS; interstate switched access and message toll including WATS; State billing and collection; and interstate billing and collection.</p> <p>(i) State special access and private line payment and collection expense is directly assigned to the Interstate jurisdiction.</p> <p>(ii) Interstate special access and private line payment and collection expense is directly assigned to the interstate jurisdiction.</p> <p>(iii) State switched access and message toll including WATS payment and collection expense is directly assigned to the State jurisdiction.</p> <p>(iv) Interstate switched access and message toll including WATS payment and collection expense is directly assigned to the interstate jurisdiction.</p> <p>(v) State billing and collection payment and collection expense is directly assigned to the interstate jurisdiction.</p> <p>(vi) Interstate billing and collection payment and collection expense is directly assigned to the State jurisdiction.</p> <p>(vii) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. Sec. 36.377(a)(5)(i) through 36.377(a)(5)(vi), based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000. All subcategories of Interexchange carrier payment expense, as specified in Sec. Sec. 36.377(a)(5)(i) through 36.377(a)(5)(vi), shall be directly assigned</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. <b>(continued)</b></p> <p>(6) Interexchange carrier billing inquiry includes expenses related to the handling of interexchange carrier billing inquiries. Interexchange carrier billing inquiry expenses are assigned to the following subcategories based on the relative number of actual contacts, weighted if appropriate, to reflect differences in the average work time per contact: State special access and private line; interstate special access and private line; State switched access and message toll including WATS; interstate switched access and message toll including WATS; State billing and collection; and interstate billing and collection.</p> <p>(i) State special access and private line billing inquiry expenses is directly assigned to the State jurisdiction.</p> <p>(ii) Interstate special access and private line billing inquiry expense is directly assigned to the interstate jurisdiction.</p> <p>(iii) State switched access and message toll including WATS billing inquiry expense is directly assigned to the State jurisdiction.</p> <p>(iv) Interstate switched access and message toll including WATS billing inquiry expense is directly assigned to the interstate jurisdiction.</p> <p>(v) State billing and collection billing inquiry expense is directly assigned to the State jurisdiction.</p> <p>(vi) Interstate Billing and Collection billing inquiry expense is directly assigned to the interstate jurisdiction.</p> <p>(vii) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a)(6)(i) through 36.377(a)(6)(vi), based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000. All subcategories of Interchange carrier billing inquiry expense, as specified in Sec. Sec. 36.377(a)(6)(i) through 36.377(a)(6)(vi), shall be directly assigned.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.377 Category 1-- Local business office expense.</p> <p>(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. <b>(continued)</b></p> <p>(7) Coin collection and administration includes expenses for the collection and counting of money deposited in public or semi-public phones. It also includes expenses incurred for required travel, coin security, checking the serviceability of public or semi-public telephones, and related functions. These expenses are apportioned between the State and interstate jurisdictions in proportion to the relative State and interstate revenues deposited in the public and semi-public telephones.</p> <p>(i) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.377(a)(7), based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000.</p> <p>(ii) Effective July 1, 2001 through June 30, 2006, all study areas shall apportion Coin collection and administration expense among the jurisdictions using the relative state and interstate revenues deposited in the public and semi-public telephones, as specified in Sec. Sec. 36.377(a)(7), for the twelve month period ending December 31, 2000. Direct assignment of any Coin collection and administration expense among the jurisdictions shall be updated annually.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33207, June 21, 2001]</p>	X	



# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.378 Category 2--Customer services (revenue accounting).</p> <p>(a) The Revenue Accounting proportion of Account 6620 expenses comprise the salaries and other expenses in Account 6620 directly assignable or allocable to the billing of customers and the accounting for revenues, including the supervision of such work.</p> <p>(b) Revenue Accounting expenses for the study area are separated on the basis of a Job Function analysis into three main classifications: Message processing expense, other billing and collecting expense, and carrier access charge billing and collecting expense.</p> <p>(1) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the classifications, as specified in Sec. 36.378(b), based on the relative percentage assignment of the balance of Account 6620 to those classifications during the twelve month period ending December 31, 2000.</p> <p>(2) [Reserved]</p> <p>(c) The term "ticket" denotes either a ticket prepared manually by an operator or the mechanized equivalent of such a ticket processed by the revenue accounting office.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33208, June 21, 2001]</p>	<p>X</p> <p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.379 Message processing expense.</p> <p>(a) This classification includes the salary and machine expense of data processing equipment, including supervision, general accounting administrative and miscellaneous expense associated with the processing of individual toll tickets and local message tickets.</p> <p>(b) The expense assigned to this classification is divided into the subcategories Toll Ticket Processing Expense and Local Message Processing Expense on the basis of the relative number of messages. Toll Ticket Processing Expense is allocated between the State and interstate jurisdiction on the basis of the relative number of toll messages. Local Message Processing Expense is assigned to the exchange operation.</p> <p>(1) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in Sec. 36.379(b), based on the relative percentage assignment of the balance of Account 6620 to those subcategories during the twelve month period ending December 31, 2000.</p> <p>(2) Effective July 1, 2001 through June 30, 2006, all study areas shall apportion Toll Ticketing Processing Expense among the jurisdictions using the relative number of toll messages for the twelve-month period ending December 31, 2000. Local Message Process Expense is assigned to the state jurisdiction.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33208, June 21, 2001]</p>	<p>X</p> <p>X</p>	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Customer Operations Expenses</p> <p>Sec. 36.380 Other billing and collecting expense.</p> <p>(a) This classification includes the salary expense, including supervision, general accounting administrative, and miscellaneous expense, associated with the preparation of customer bills other than carrier access charge bills and with other revenue accounting functions not covered in Sec. 36.379. Included in this classification are the expenses incurred in the preparation of monthly bills, initial and final bills, the application of service orders to billing records (establishing, changing, or discontinuing customers' accounts), station statistical work, controlling record work and the preparation of revenue reports.</p> <p>(b) Local exchange carriers that bill or collect from end users on behalf of interexchange carriers shall allocate one third of the expenses assigned this classification to the interstate jurisdiction, and two thirds of the expenses assigned this classification to the state jurisdiction.</p> <p>(c) Local exchange carriers that do not bill or collect from end users on behalf of interexchange carriers shall allocate five percent of the expenses assigned this classification to the interstate jurisdiction, and ninety-five percent of the expenses assigned this classification to the state jurisdiction.</p> <p>(d) Effective July 1, 2001 through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the Other billing and collecting expense classification based on the relative percentage assignment of the balance of Account 6620 to those subcategory during the twelve month period ending December 31, 2000.</p> <p>(e) Effective July 1, 2001 through June 30, 2006, all study areas shall apportion Other billing and collecting expense among the jurisdictions using the allocation factor utilized, pursuant to Sec. Sec. 36.380(b) or 36.380(c), for the twelve month period ending December 31, 2000.</p> <p>[53 FR 33011, Aug. 29, 1988, as amended at 62 FR 15416, Apr. 1, 1997; 66 FR 33208, June 21, 2001]</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.381 Carrier access charge billing and collecting expense.</p> <p>(a) This classification includes the revenue accounting functions associated with the billing and collecting of access charges to interexchange carriers.</p> <p>(b) Of access charges other than end user common line access charges are assessed for the origination or termination of intrastate services in a particular state, one-half of such expense shall be apportioned to interstate operations. If no such access charges are assessed in a particular state, all such expense shall be assigned to interstate operations.</p> <p>(c) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to the Carrier access charge billing and collecting expense classification based on the relative percentage assignment of the balance of Account 6620 to that classification during the twelve month period ending December 31, 2000.</p> <p>(d) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Carrier access charge billing and collecting expense among the jurisdictions using the allocation factor, pursuant to Sec. 36.381(b), for the twelve-month period ending December 31, 2000.</p> <p>[52 FR 17229, May 6, 1987, as amended at 66 FR 33208, June 21, 2001]</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes Customer Operations Expenses</p> <p>Sec. 36.382 Category 3--All other customer services expense.</p> <p>(a) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to Sec. 61.41 of this chapter, shall assign the balance of Account 6620-Services to this category based on the relative percentage assignment of the balance of Account 6620 to this category during the twelve month period ending December 31, 2000.</p> <p>(b) Category 3 is apportioned on the basis of Categories 1 and 2.</p> <p>[66 FR 33208, June 21, 2001]</p>	<p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes Corporate Operations Expense</p> <p>Sec. 36.391 General.</p> <p>Corporate Operations Expenses are included in the following account:</p> <p>General and Administrative..... Account 6720.</p> <p>[69 FR 12552, Mar. 17, 2004]</p>	<p>X</p>	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Corporate Operations Expense</p> <p>Sec. 36.392 General and administrative--Account 6720.</p> <p>(a) These expenses are divided into two categories:</p> <p>(1) Extended Area Services (EAS).</p> <p>(2) All other.</p> <p>(b) Extended Area Services (EAS) settlements are directly assigned to the exchange operation.</p> <p>(c) The expenses in this account are apportioned among the operations on the basis of the separation of the cost of the combined Big Three Expenses which include the following accounts:</p> <p style="text-align: center;">Plant Specific Expenses</p> <p>Central Office Switching Expenses--Account 6210 (Class B Telephone Companies); Accounts 6211 and 6212 (Class A Telephone Companies)</p> <p>Operators Systems Expenses-- Account 6220</p> <p>Central Office Transmission Expenses--Account 6230 (Class B Telephone Companies); Accounts 6231 and 6232 (Class A Telephone Companies)</p> <p>Information Origination/Termination Expenses--Account 6310 (Class B Telephone Companies); Accounts 6311, 6341, 6351, and 6362 (Class A Telephone Companies)</p> <p>Cable and Wire Facilities Expense--Account 6410 (Class B Telephone Companies); Accounts 6411, 6421, 6422, 6423, 6424, 6426, 6431, and 6441 (Class A Telephone Companies)</p> <p style="text-align: center;">Plant Non-Specific Expenses</p> <p>Network Operations Expenses--Account 6530 (Class B Telephone Companies); Accounts 6531, 6532, 6533, 6534, and 6535 (Class A Telephone Companies)</p> <p style="text-align: center;">Customer Operations Expenses</p> <p>Marketing--Account 6610 (Class B Telephone Companies); Accounts 6611 and 6613 (Class A Telephone Companies)</p> <p>Services--Account 6620</p> <p>[52 FR 17229, May 6, 1987, as amended at 69 FR 12552, Mar. 17, 2004]</p>	<p>X</p> <p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes</p> <p>Operating Taxes</p> <p>Sec. 36.411 Operating taxes--Account 7200 (Class B Telephone Companies); Accounts 7210, 7220, 7230, 7240, and 7250 (Class A Telephone Companies).</p> <p>(a) This account includes the taxes arising from the operations of the company, i.e.,</p> <p>Operating Investment Tax Credits</p> <p>Operating Federal Income Taxes</p> <p>Operating State and Local Income Taxes</p> <p>Operating Other Taxes</p> <p>Provision for Deferred Operating Income Taxes</p>	<p>X</p>	

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Operating Expenses and Taxes</p> <p>Operating Taxes</p> <p>Sec. 36.412 Apportionment procedures.</p> <p>(a) For apportionment purposes, the expenses in this account are segregated into two groups as follows: (1) Operating Federal, State and local income taxes and (2) all other operating taxes.</p> <p>(b) Operating Federal, State and local income taxes are apportioned among the operations on the basis of the approximate net taxable income (positive or negative) applicable to each of the operations. The approximate net taxable income from each of the operations is the summation of the following amounts apportioned to each operation by means of the procedures set forth in this Manual:</p> <p>(1) Operating revenues,</p> <p>(2) Less operating expenses,</p> <p>(3) Less operating taxes except the net income tax being apportioned and except any other tax not treated as a deductible item in the determination of taxable net income for this purpose.</p> <p>(4) Less operating fixed charges.</p> <p>(i) The amount of fixed charges attributable to the operations is obtained by subtracting the tax component (positive or negative) attributable to other than the operating fixed charges, i.e., fixed charges on non-operating investments are that proportion of total fixed charges which non-operating net investments are of total operating and non-operating net investments.</p> <p>(ii) Operating fixed charges including interest on Rural Telephone Bank Stock are apportioned among the operations on the basis of the separation of the cost of telephone plant less appropriate reserves.</p> <p>(c) Other operating taxes should be directly assigned to the appropriate jurisdiction where possible, e.g., Local Gross Receipts may be directly identified as applicable to one jurisdiction. Where direct assignment is not feasible, these expenses should be apportioned among the operations on the basis of the separation of the cost of Telecommunications Plant in Service--Account 2001.</p>	<p>X</p> <p>X</p> <p>X</p>	
<p>Subpart D--Operating Expenses and Taxes</p> <p>Equal Access Expenses</p> <p>Sec. 36.421 Equal access expenses.</p> <p>(a) Equal access expenses include only initial incremental pre-subscription costs and other initial incremental expenditures related directly to the provision of equal access, that would not be required to upgrade the capabilities of the office involved absent the provision of equal access. Equal access expenses are limited to such expenditures for converting central offices that serve competitive interexchange carriers or where there has been a bona fide request for conversion to equal access.</p> <p>(b) Equal access expenses are apportioned between the jurisdictions by first segregating them from all other expenses in the primary accounts and then allocating them on the same basis as equal access investment.</p>	<p>X</p> <p>X</p>	

## Appendix 1 – Rules

### PART 36 - Jurisdictional Separations Procedures; Standard Procedures for Separating Telecommunications Property Costs, Revenues, Expenses, Taxes and Reserves for Telephone Companies Subpart E – Reserves and Deferrals

47 C.F.R. PART 36 SUBPART E	Action Requested															
	For-bear	No Action (Does not apply to BST today)														
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.501 General.</p> <p>For separations purposes, reserves and deferrals include the following accounts:</p> <table><tr><td>Other Jurisdictional Assets--Net.....</td><td>Account 1500.</td></tr><tr><td>Accumulated Depreciation.....</td><td>Account 3100.</td></tr><tr><td>Accumulated Depreciation--Property Held for Future Telecommunications Use</td><td>Account 3200.</td></tr><tr><td>Accumulated Amortization--Capital Leases..... (Class A Telephone Companies); Account 3400 (Class B Telephone Companies)</td><td>Account 3410</td></tr><tr><td>Net Current Deferred Operating Income Taxes.....</td><td>Account 4100.</td></tr><tr><td>Net Noncurrent Deferred Operating Income Taxes.....</td><td>Account 4340.</td></tr><tr><td>Other Jurisdictional Liabilities and Deferred Credits--Net.....</td><td>Account 4370.</td></tr></table> <p>[69 FR 12553, Mar. 17, 2004]</p>	Other Jurisdictional Assets--Net.....	Account 1500.	Accumulated Depreciation.....	Account 3100.	Accumulated Depreciation--Property Held for Future Telecommunications Use	Account 3200.	Accumulated Amortization--Capital Leases..... (Class A Telephone Companies); Account 3400 (Class B Telephone Companies)	Account 3410	Net Current Deferred Operating Income Taxes.....	Account 4100.	Net Noncurrent Deferred Operating Income Taxes.....	Account 4340.	Other Jurisdictional Liabilities and Deferred Credits--Net.....	Account 4370.	X	
Other Jurisdictional Assets--Net.....	Account 1500.															
Accumulated Depreciation.....	Account 3100.															
Accumulated Depreciation--Property Held for Future Telecommunications Use	Account 3200.															
Accumulated Amortization--Capital Leases..... (Class A Telephone Companies); Account 3400 (Class B Telephone Companies)	Account 3410															
Net Current Deferred Operating Income Taxes.....	Account 4100.															
Net Noncurrent Deferred Operating Income Taxes.....	Account 4340.															
Other Jurisdictional Liabilities and Deferred Credits--Net.....	Account 4370.															
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.502 Other jurisdictional assets--Net--Account 1500.</p> <p>(a) Amounts in this account are separated based upon analysis of the specific items involved.</p>	X															
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.503 Accumulated depreciation--Account 3100.</p> <p>(a) Amounts recorded in this account shall be separated on the basis of the separation of the associated primary Plant Accounts or related categories, excluding amortizable assets.</p>	X															
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.504 Accumulated depreciation--Property held for future telecommunications use--Account 3200.</p> <p>(a) Amounts in this account are apportioned among the operations on the basis of the separation of the costs of the related items carried in Account 2002--Property Held for Future Telecommunications Use.</p>	X															

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART E	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.505 Accumulated amortization--Tangible--Account 3400 (Class B Telephone Companies); Accumulated Amortization--Capital Leases--Account 3410 (Class A Telephone Companies).</p> <p>(a) Amounts in these accounts are apportioned among the operations on the basis of the separation of the related accounts.</p>	X	
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.506 Net current deferred operating income taxes--Account 4100, Net noncurrent deferred operating income taxes--Account 4340.</p> <p>(a) Amounts in these accounts are maintained by plant account and are apportioned among the operations on the basis of the separations of the related plant accounts.</p>	X	
<p>Subpart E--Reserves and Deferrals</p> <p>Sec. 36.507 Other jurisdictional liabilities and deferred credits--Net--Account 4370.</p> <p>(a) Amounts in this account are separated based upon an analysis of the specific items involved.</p>	X	

## Appendix 1 – Rules

PART 36 - Jurisdictional Separations Procedures; Standard Procedures for Separating  
Telecommunications Property Costs, Revenues, Expenses, Taxes and Reserves for Telephone Companies  
Subpart F – Universal Service Fund

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart F--Universal Service Fund General		
Sec. 36.601 General.		
(a) The term Universal Service Fund in this subpart refers only to the support for loop-related costs included in Sec. 36.621. The term Universal Service in part 54 of this chapter refers to the comprehensive discussion of the Commission's rules implementing section 254 of the Communications Act of 1934, as amended, 47 U.S.C. 254, which addresses universal service support for rural, insular, and high cost areas, low-income consumers, schools and libraries, and health care providers. The expense adjustment calculated pursuant to this subpart F shall be added to interstate expenses and deducted from state expenses after expenses and taxes have been apportioned pursuant to subpart D of this part. Beginning January 1, 1998, the expense adjustment calculated pursuant to this subpart will be administered and funded through the new universal service system discussed in part 54 of this chapter.		X <sup>2</sup>
(b) The expense adjustment will be computed on the basis of data for a preceding calendar year which may be updated at the option of the carrier pursuant to Sec. 36.612(a).		X <sup>3</sup>
(c) Until June 30, 2001, the annual amount of the total nationwide expense adjustment shall consist of the amounts calculated pursuant to Sec. 54.309 of this chapter and the amounts calculated pursuant to this subpart F. The annual amount of the total nationwide loop cost expense adjustment calculated pursuant to this subpart F shall not exceed the amount of the total loop cost expense adjustment for the immediately preceding calendar year, increased by a rate equal to the rate of increase in the total number of working loops during the calendar year preceding the July 31st filing. The total loop cost expense adjustment shall consist of the loop cost expense adjustments, including amounts calculated pursuant to Sec. 36.612(a) and Sec. 36.631. The rate of increase in total working loops shall be based upon the difference between the number of total working loops on December 31 of the calendar year preceding the July 31st filing and the number of total working loops on December 31 of the second calendar year preceding that filing, both determined by the company's submissions pursuant to Sec. 36.611. Beginning January 1, 2000, non-rural incumbent local exchange carriers and, eligible telecommunications carriers serving lines in the service area of non-rural incumbent local exchange carriers, shall only receive support pursuant to this subpart F to the extent that they qualify pursuant to Sec. 54.311 of this chapter for interim hold-harmless support. Support amounts calculated pursuant to this subpart F but not received due to the phase down of interim hold-harmless support or the receipt of forward-looking support pursuant to Sec. 54.311 of this chapter shall not be redistributed to other carriers.		X <sup>4</sup>
[52 FR 17229, May 6, 1987, as amended at 56 FR 27422, June 14, 1991; 58FR 69242, Dec. 30, 1993; 61 FR 34376, July 2, 1996; 62 FR 32947, June 17, 1997; 62 FR 40748, July 30, 1997; 63 FR 2124, Jan. 13, 1998; 64 FR 30924, June 9, 1999; 64 FR 67430, Dec. 1, 1999; 65 FR 78992, Dec. 18,2000; 66 FR 30085, June 5, 2001]		

<sup>2</sup> Even though common carriers are affected by this rule, the organizations responsible for implementing the Universal Service Fund, not the carriers, apply the rule. The Petition is not intended to affect Universal Service, and BST will continue to comply with Part 54 Universal Service.

<sup>3</sup> See previous footnote.

<sup>4</sup> See previous footnote.



## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund General</p> <p>Sec. 36.602 Calculation of non-rural carrier portion of nationwide loop cost expense adjustment.</p> <p>Effective July 1, 2001, for purposes of determining non-rural carrier interim hold-harmless support, pursuant to Sec. 54.311 of this chapter, the annual amount of the total nationwide loop cost expense adjustment calculated pursuant to this subpart F shall not exceed the amount of the total loop cost expense adjustment for the immediately preceding calendar year, increased by a rate equal to the rate of increase in the total number of working loops during the calendar year preceding the July 31st filing. The total loop cost expense adjustment shall consist of the loop cost expense adjustments, including amounts calculated pursuant to Sec. Sec. 36.612(a) and 36.631. The rate of increase in total working loops shall be based upon the difference between the number of total working loops on December 31 of the calendar year preceding the July 31st filing and the number of total working loops on December 31 of the second calendar year preceding that filing, both determined by the company's submissions pursuant to Sec. 36.611. Non-rural incumbent local exchange carriers and eligible telecommunications carriers serving lines in the service area of non-rural incumbent local exchange carriers shall only receive support pursuant to this subpart F to the extent that they qualify pursuant to Sec. 54.311 of this chapter for interim hold-harmless support. Support amounts calculated pursuant to this subpart F but not received due to the phase down of interim hold-harmless support or the receipt of forward-looking support pursuant to Sec. 54.311 of this chapter shall not be redistributed to other carriers.</p> <p>[66 FR 30085, June 5, 2001]</p>		X <sup>5</sup>

<sup>5</sup> Even though common carriers are affected by this rule, the organizations responsible for implementing the Universal Service Fund, not the carriers, apply the rule. The Petition is not intended to affect Universal Service, and BST will continue to comply with Part 54 Universal Service.

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund General</p> <p>Sec. 36.603 Calculation of rural incumbent local exchange carrier portion of nationwide loop cost expense adjustment.</p> <p>(a) Effective July 1, 2001, the rural incumbent local exchange carrier portion of the annual nationwide loop cost expense adjustment will be recomputed by the fund administrator as if the indexed cap calculated pursuant to Sec. 36.601(c) and the corporate operations expense limitation calculated pursuant to Sec. 36.621 had not been in effect for the calendar year 2000. For the period July 1, 2001, to December 31, 2001, the annualized amount of the rural incumbent local exchange carrier portion of the nationwide loop cost expense adjustment calculated pursuant to this subpart F shall not exceed the non-capped amount of the total rural incumbent local exchange carrier loop cost expense adjustment for the calendar year 2000, multiplied times one plus the Rural Growth Factor calculated pursuant to Sec. 36.604. For the period January 1, 2002, to December 31, 2002, the annual amount of the rural incumbent local exchange carrier portion of the nationwide loop cost expense adjustment calculated pursuant to this subpart F shall not exceed the non-capped amount of the total rural incumbent local exchange carrier loop cost expense adjustment for calendar year 2000, multiplied times one plus the Rural Growth Factor for 2001, which then shall be multiplied times one plus the Rural Growth Factor for 2002. Beginning January 1, 2003, the annual amount of the rural incumbent local exchange carrier portion of the nationwide loop cost expense adjustment calculated pursuant to this subpart F shall not exceed the amount of the total rural incumbent local exchange carrier loop cost expense adjustment for the immediately preceding calendar year, multiplied times one plus the Rural Growth Factor calculated pursuant to Sec. 36.604.</p> <p>(b) The annual rural incumbent local exchange carrier portion of the nationwide loop cost expense adjustment shall be reduced to reflect the transfer of rural incumbent local exchange carrier access lines that are eligible for expense adjustments pursuant to Sec. 36.631. The reduction shall equal the amount of the Sec. 36.631 expense adjustment available to the transferred access lines at the time of the transfer and shall be effective in the next calendar quarter after the access lines are transferred.</p> <p>(c) Safety net additive support calculated pursuant to Sec. 36.605, and transferred high-cost support and safety valve support calculated pursuant to Sec. 54.305 of this chapter shall not be included in the rural incumbent local exchange carrier portion of the annual nationwide loop cost expense adjustment.</p> <p>[66 FR 30085, June 5, 2001, as amended at 67 FR 44083, July 1, 2002]</p>		<p>X</p> <p>X</p> <p>X</p>

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund General</p> <p>Sec. 36.604 Calculation of the rural growth factor.</p> <p>The Rural Growth Factor (RGF) is equal to the sum of the annual percentage change in the United States Department of Commerce's Gross Domestic Product--Chained Price Index (GPD-CPI) plus the percentage change in the total number of rural incumbent local exchange carrier working loops during the calendar year preceding the July 31st filing submitted pursuant to Sec. 36.611. The percentage change in total rural incumbent local exchange carrier working loops shall be based upon the difference between the total number of rural incumbent local exchange carrier working loops on December 31 of the calendar year preceding the July 31st filing and the total number of rural incumbent local exchange carrier working loops on December 31 of the second calendar year preceding that filing, both determined by the company's submissions pursuant to Sec. 36.611. Loops acquired by rural incumbent local exchange carriers shall not be included in the RGF calculation.</p> <p>[66 FR 30085, June 5, 2001]</p>		X

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund General</p> <p>Sec. 36.605 Calculation of safety net additive.</p> <p>(a) "Safety net additive support." A rural incumbent local exchange carrier shall receive safety net additive support if it satisfies the conditions set forth in paragraph (c) of this section. Safety net additive support is support available to rural telephone companies, as conditioned in paragraph (c) of this section, in addition to support calculated pursuant to Sec. 36.631. Safety net additive support shall not be available to rural telephone companies for exchange(s) that are subject to Sec. 54.305 of this chapter.</p> <p>(b) Calculation of safety net additive support: Safety net additive support is equal to the amount of capped support calculated pursuant to this subpart F in the qualifying year minus the amount of support in the year prior to qualifying for support subtracted from the difference between the uncapped expense adjustment for the study area in the qualifying year minus the uncapped expense adjustment in the year prior to qualifying for support as shown in the following equation: Safety net additive support = (Uncapped support in the qualifying year-Uncapped support in the base year)-(Capped support in the qualifying year-Amount of support received in the base year).</p> <p>(c) Operation of safety net additive support: (1) In any year in which the total carrier loop cost expense adjustment is limited by the provisions of Sec. 36.603 a rural incumbent local exchange carrier shall receive safety net additive support as calculated in paragraph (b) of this section, if in any study area, the rural incumbent local exchange carrier realizes growth in end of period Telecommunications Plant in Service (TPIS), as prescribed in Sec. 32.2001 of this chapter, on a per loop basis, of at least 14 percent more than the study area's TPIS per loop investment at the end of the prior period.</p> <p>(2) If paragraph (c)(1) of this section is met, the rural incumbent local exchange carrier must notify the Administrator; failure to properly notify the Administrator of eligibility shall result in disqualification of that study area for safety net additive, requiring the rural incumbent local exchange carrier to again meet the eligibility requirements in paragraph (c)(1) of this section for that study area in a subsequent period.</p> <p>(3) Upon completion of verification by the Administrator that the study area meets the stated criterion in paragraphs (a), (b), (c) of this section, the Administrator shall:</p> <p>(i) Pay to any qualifying rural telephone company, safety net additive support for the qualifying study area in accordance with the calculation set forth in paragraph (b) of this section; and</p> <p>(ii) Continue to pay safety net additive support in any of the four succeeding years in which the total carrier loop expense adjustment is limited by the provisions of Sec. 36.603. Safety net additive support in the succeeding four years shall be the lesser of: (A) The sum of capped support and the safety net additive support received in the qualifying year; or (B) The rural telephone company's uncapped support.</p> <p>[66 FR 30086, June 5, 2001, as amended at 66 FR 65856, Dec. 21, 2001]</p>		<p>X</p> <p>X</p> <p>X</p>

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart F--Universal Service Fund Data Collection		
Sec. 36.611 Submission of information to the National Exchange Carrier Association (NECA).		
In order to allow determination of the study areas and wire centers that are entitled to an expense adjustment pursuant to Sec. 36.631, each incumbent local exchange carrier (LEC) must provide the National Exchange Carrier Association (NECA) (established pursuant to part 69 of this chapter) with the information listed for each study area in which such incumbent LEC operates, with the exception of the information listed in paragraph (h) of this section, which must be provided for each study area and, if applicable, for each wire center, as defined in part 54 of this chapter, and each disaggregation zone as established pursuant to Sec. 54.315 of this chapter. This information is to be filed with NECA by July 31st of each year. The information provided pursuant to paragraph (h) of this section must be updated pursuant to Sec. 36.612. Rural telephone companies that acquired exchanges subsequent to May 7, 1997, and incorporated those acquired exchanges into existing study areas shall separately provide the information required by paragraphs (a) through (h) of this section for both the acquired and existing exchanges.	X	
(a) Unseparated, i.e., state and interstate, gross plant investment in Exchange Line Cable and Wire Facilities (C&WF) Subcategory 1.3 and Exchange Line Central Office (CO) Circuit Equipment Category 4.13. This amount shall be calculated as of December 31st of the calendar year preceding each July 31st filing.	X	
(b) Unseparated accumulated depreciation and noncurrent deferred federal income taxes, attributable to Exchange Line C&WF Subcategory 1.3 investment, and Exchange Line CO Circuit Equipment Category 4.13 investment. These amounts shall be calculated as of December 31st of the calendar year preceding each July 31st filing, and shall be stated separately.	X	
(c) Unseparated depreciation expense attributable to Exchange Line C&WF Subcategory 1.3 investment, and Exchange Line CO Circuit Equipment Category 4.13 investment. This amount shall be the actual depreciation expense for the calendar year preceding each July 31st filing.	X	
(d) Unseparated maintenance expense attributable to Exchange Line C&WF Subcategory 1.3 investment and Exchange Line CO Circuit Equipment Category 4.13 investment. This amount shall be the actual repair expense for the calendar year preceding each July 31st filing.	X	
(e) Unseparated corporate operations expenses, operating taxes, and the benefits and rent proportions of operating expenses. The amount for each of these categories of expense shall be the actual amount for that expense for the calendar year preceding each July 31st filing. The amount for each category of expense listed shall be stated separately.	X	
(f) Unseparated gross telecommunications plant investment. This amount shall be calculated as of December 31st of the calendar year preceding each July 31st filing.	X	
(g) Unseparated accumulated depreciation and noncurrent deferred federal income taxes attributable to local unseparated telecommunications plant investment. This amount shall be calculated as of December 31st of the calendar year preceding each July 31st filing.	X	

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action
<p>Subpart F--Universal Service Fund Data Collection</p> <p>Sec. 36.611 Submission of information to the National Exchange Carrier Association (NECA). (continued)</p> <p>(h) For rural telephone companies, as that term is defined in Sec. 51.5 of this chapter, the number of working loops for each study area. For non-rural telephone companies, the number of working loops for each study area and for each wire center. For universal service support purposes, working loops are defined as the number of working Exchange Line C&amp;WF loops used jointly for exchange and message telecommunications service, including C&amp;WF subscriber lines associated with pay telephones in C&amp;WF Category 1, but excluding WATS closed end access and TWX service. These figures shall be calculated as of December 31st of the calendar year preceding each July 31st filing.</p> <p>[62 FR 32947, June 17, 1997, as amended at 64 FR 67430, Dec. 1, 1999; 66 FR 30086, June 5, 2001]</p>		X <sup>6</sup>
<p>Subpart F--Universal Service Fund Data Collection</p> <p>Sec. 36.612 Updating information submitted to the National Exchange Carrier Association.</p> <p>(a) Any rural telephone company, as that term is defined in Sec. 51.5 of this chapter, may update the information submitted to the National Exchange Carrier Association (NECA) on July 31st pursuant to Sec. Sec. 36.611 (a) through (h) one or more times annually on a rolling year basis according to the schedule, except that rural telephone companies in service areas where an eligible telecommunications carrier has initiated service and has reported line count data pursuant to Sec. 54.307(c) of this chapter must update the information submitted to NECA on July 31st pursuant to Sec. 36.611(h) according to the schedule. Every non-rural telephone company must update the information submitted to NECA on July 31st pursuant to Sec. 36.611 (h) according to the schedule.</p> <p>(1) Submit data covering the last nine months of the previous calendar year and the first three months of the existing calendar year no later than September 30th of the existing year;</p> <p>(2) Submit data covering the last six months of the previous calendar year and the first six months of the existing calendar year no later than December 30th of the existing year;</p> <p>(3) Submit data covering the last three months of the second previous calendar year and the first nine months of the previous calendar year no later than March 30th of the existing year.</p> <p>(b) [Reserved]</p> <p>[52 FR 17229, May 6, 1987, as amended at 62 FR 32947, June 17, 1997; 63 FR 2124, Jan. 13, 1998; 64 FR 67430, Dec. 1, 1999; 66 FR 30086, June 5, 2001]</p>		<p>X<sup>7</sup></p> <p>X</p>

<sup>6</sup> BST will continue to accumulate and report the number of working loops to NECA as needed for the application of Part 54.309(a)(4), (b)(3) and (b)(4).

<sup>7</sup> See previous footnote.

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund Data Collection</p> <p>Sec. 36.613 Submission of information by the National Exchange Carrier Association.</p> <p>(a) On October 1 of each year, the National Exchange Carrier Association shall file with the Commission and Administrator the information listed below. Information filed with the Commission shall be compiled from information provided to the Association by telephone companies pursuant to Sec. 36.611.</p> <p>(1) The unseparated loop cost for each study area and a nationwide-average unseparated loop cost.</p> <p>(2) The annual amount of the high cost expense adjustment for each study area, and the total nationwide amount of the expense adjustment.</p> <p>(3) The dollar amount and percentage of the increase in the nationwide average unseparated loop cost, as well as the dollar amount and percentage increase for each study area, for the previous 5 years, or the number of years NECA has been receiving information under Sec. 36.611, whichever is the shorter time period.</p> <p>(b) [Reserved]</p> <p>[52 FR 17229, May 6, 1997, as amended at 62 FR 32948, June 17, 1997; 63 FR 2124, Jan. 13, 1998]</p>		<p>X<sup>8</sup></p> <p>X</p>

<sup>8</sup> This rule applies to NECA. Pursuant to forbearance sought in previous rules, BST will no longer provide loop cost or expense adjustment data to NECA.

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund</p> <p>Calculation of Loop Costs for Expense Adjustment</p> <p>Sec. 36.621 Study area total unseparated loop cost.</p> <p>(a) For the purpose of calculating the expense adjustment, the study area total unseparated loop cost equals the sum of the following:</p> <p>(1) Return component for net unseparated Exchange Line C&amp;WF subcategory 1.3 investment and Exchange Line CO Circuit Equipment Category 4.13 investment. This amount is calculated by deducting the accumulated depreciation and noncurrent deferred Federal income taxes attributable to C&amp;WF subcategory 1.3 investment and Exchange Line Category 4.13 circuit investment reported pursuant to Sec. 36.611(b) from the gross investment in Exchange Line C&amp;WF subcategory 1.3 and CO Category 4.13 reported pursuant to Sec. 36.611(a) to obtain the net unseparated C&amp;WF subcategory 1.3 investment, and CO Category 4.13 investment. The net unseparated C&amp;WF subcategory 1.3 investment and CO Category 4.13 investment is multiplied by the study area's authorized interstate rate of return.</p> <p>(2) Depreciation expense attributable to C&amp;WF subcategory 1.3 investment, and CO Category 4.13 investment as reported in Sec. 36.611(c).</p> <p>(3) Maintenance expense attributable to C&amp;WF subcategory 1.3 investment, and CO Category 4.13 investment as reported in Sec. 36.611(d).</p> <p>(4) Corporate Operations Expenses, Operating Taxes and the benefits and rent portions of operating expenses, as reported in Sec. 36.611(e) attributable to investment in C&amp;WF Category 1.3 and COE Category 4.13. This amount is calculated by multiplying the total amount of these expenses and taxes by the ratio of the unseparated gross exchange plant investment in C&amp;WF Category 1.3 and COE Category 4.13, as reported in Sec. 36.611(a), to the unseparated gross telecommunications plant investment, as reported in Sec. 36.611(f). Total Corporate Operations Expense, for purposes of calculating universal service support payments beginning July 1, 2001, shall be limited to the lesser of:</p> <p>(i) The actual average monthly per-loop Corporate Operations Expense; or</p> <p>(ii) A monthly per-loop amount computed according to paragraphs (a)(4)(ii)(A), (a)(4)(ii)(B), (a)(4)(ii)(C), and (a)(4)(ii)(D) of this section. To the extent that some carriers' corporate operations expenses are disallowed pursuant to these limitations, the national average unseparated cost per loop shall be adjusted accordingly.</p> <p>(A) For study areas with 6,000 or fewer working loops the amount monthly per working loop shall be \$33.30853-(.00246 x the number of working loops), or, \$50,000 / the number of working loops, whichever is greater;</p> <p>(B) For study areas with more than 6,000 but fewer than 18,006 working loops, the monthly amount per working loop shall be \$3.83195 + (88,429.20 / the number of working loops); and</p> <p>(C) For study areas with 18,006 or more working loops, the monthly amount per working loop shall be \$8.74472.</p> <p>(D) Beginning January 1, 2002, the monthly per-loop amount computed according to paragraphs (a)(4)(ii)(A), (a)(4)(ii)(B), and (a)(4)(ii)(C) of this section shall be adjusted each year to reflect the annual percentage change in the United States Department of Commerce's Gross Domestic Product-Chained Price Index (GDP-CPI).</p> <p>(b) [Reserved]</p>		<p>X<sup>9</sup></p> <p>X</p>

[52 FR 17229, May 6, 1987, as amended at 56 FR 27422, June 14, 1991; 62 FR 32948, June 17, 1997; 62 FR 40748, July 30, 1997; 63 FR 2124, Jan. 13, 1998; 66 FR 30086, June 5, 2001]

<sup>9</sup> Even though common carriers are affected by this rule, the organizations responsible for implementing the Universal Service Fund, not the carriers, apply the rule. The Petition is not intended to affect Universal Service, and BST will continue to comply with Part 54 Universal Service.



## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund</p> <p>Calculation of Loop Costs for Expense Adjustment</p> <p>Sec. 36.622 National and study area average unseparated loop costs.</p> <p>(a) National Average Unseparated Loop Cost per Working Loop. Except as provided in paragraph (c) of this section, this is equal to the sum of the Loop Costs for each study area in the country as calculated pursuant to Sec. 36.621(a) divided by the sum of the working loops reported in Sec. 36.611(h) for each study area in the country. The national average unseparated loop cost per working loop shall be calculated by the National Exchange Carrier Association. Effective July 1, 2001, the national average unseparated loop cost for purposes of calculating expense adjustments for rural incumbent local exchange carriers, as that term is defined in Sec. 54.5 of this chapter, is frozen at \$240.00.</p> <p>(1) The National Average Unseparated Loop Cost per Working Loop shall be recalculated by the National Exchange Carrier Association to reflect the September, December, and March update filings.</p> <p>(2) Each new nationwide average shall be used in determining the additional interstate expense allocation for companies which made filings by the most recent filing date.</p> <p>(3) The calculation of a new national average to reflect the update filings shall not affect the amount of the additional interstate expense allocation for companies which did not make an update filing by the most recent filing date.</p> <p>(b) Study Area Average Unseparated Loop Cost per Working Loop. This is equal to the unseparated loop costs for the study area as calculated pursuant to Sec. 36.621(a) divided by the number of working loops reported in Sec. 36.611(h) for the study area.</p> <p>(1) If a company elects to, or is required to, update the data which it has filed with the National Exchange Carrier Association as provided in Sec. 36.612(a), the study area average unseparated loop cost per working loop and the amount of its additional interstate expense allocation shall be recalculated to reflect the updated data.</p> <p>(2) [Reserved]</p> <p>(c) The National Average Unseparated Loop Cost per Working Loop shall be the greater of:</p> <p>(1) The amount calculated pursuant to the method described in paragraph (a) of this section; or</p> <p>(2) An amount calculated to produce the maximum total Universal Service Fund allowable pursuant to Sec. 36.601(c).</p>		<p>X<sup>10</sup></p> <p>X<sup>11</sup></p> <p>X<sup>12</sup></p>

[52 FR 17229, May 6, 1987, as amended at 56 FR 27422, June 14, 1991; 58 FR 69242, Dec. 30, 1993; 60 FR 65012, Dec. 15, 1995; 61 FR 34377, July 2, 1996; 62 FR 32948, June 17, 1997; 63 FR 2125, Jan. 13, 1998; 64 FR 67430, Dec. 1, 1999; 66 FR 30087, June 5, 2001]

<sup>10</sup> This rule applies to NECA. Pursuant to forbearance sought in previous rules, BST will no longer provide loop cost or expense adjustment data to NECA.

<sup>11</sup> See previous footnote.

<sup>12</sup> See previous footnote.

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart F--Universal Service Fund Calculation of Expense Adjustment--Additional Interstate Expense Allocation		
Sec. 36.631 Expense adjustment.		
(a) Until December 31, 1987, for study areas reporting 50,000 or fewer working loops pursuant to Sec. 36.611(h), the expense adjustment (additional interstate expense allocation) is equal to the sum of the following: (1) Fifty percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 115 percent of the national average for this cost but not greater than 150 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area; and (2) Seventy-five percent of the study area unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 150 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area.		X
(b) Until December 31, 1987, for study areas reporting more than 50,000 working loops pursuant to Sec. 36.611(h), the expense adjustment (additional interstate expense allocation) is equal to the sum of the following: (1) Twenty-five percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 115 percent of the national average for this cost but not greater than 150 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area; and (2) The amount calculated pursuant to Sec. 36.631(a)(2).		X
(c) Beginning January 1, 1988, for study areas reporting 200,000 or fewer working loops pursuant to Sec. 36.611(h), the expense adjustment (additional interstate expense allocation) is equal to the sum of paragraphs (c)(1) through (2) of this section. After January 1, 2000, the expense adjustment (additional interstate expense allocation) for non-rural telephone companies serving study areas reporting 200,000 or fewer working loops pursuant to Sec. 36.611(h) shall be calculated pursuant to Sec. 54.309 of this chapter or Sec. 54.311 of this chapter (which relies on this part), whichever is applicable. (1) Sixty-five percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 115 percent of the national average for this cost but not greater than 150 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area; and (2) Seventy-five percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 150 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area.		X

## Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund</p> <p>Calculation of Expense Adjustment--Additional Interstate Expense Allocation</p> <p>Sec. 36.631 Expense adjustment (continued)</p> <p>(d) Beginning January 1, 1988, for study areas reporting more than 200,000 working loops pursuant to Sec. 36.611(h), the expense adjustment (additional interstate expense allocation) is equal to the sum of paragraphs (d)(1) through (4) of this section. After January 1, 2000, the expense adjustment (additional interstate expense allocation) shall be calculated pursuant to Sec. 54.309 of this chapter or Sec. 54.311 of this chapter (which relies on this part), whichever is applicable.</p> <p>(1) Ten percent of the study area average unseparated loop cost per working loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 115 percent of the national average for this cost but not greater than 160 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area;</p> <p>(2) Thirty percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 160 percent of the national average for this cost but not greater than 200 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area;</p> <p>(3) Sixty percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 200 percent of the national average for this cost but not greater than 250 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area; and</p> <p>(4) Seventy-five percent of the study area average unseparated loop cost per working loop as calculated pursuant to Sec. 36.622(b) in excess of 250 percent of the national average for this cost as calculated pursuant to Sec. 36.622(a) multiplied by the number of working loops reported in Sec. 36.611(h) for the study area.</p> <p>(e) Beginning April 1, 1989, the expense adjustment calculated pursuant to Sec. 36.631 (c) and (d) shall be adjusted each year to reflect changes in the size of the Universal Service Fund resulting from adjustments calculated pursuant to Sec. 36.612(a) made during the previous year. If the resulting amount exceeds the previous year's fund size, the difference will be added to the amount calculated pursuant to Sec. 36.631 (c) and (d) for the following year. If the adjustments made during the previous year result in a decrease in the size of the funding requirement, the difference will be subtracted from the amount calculated pursuant to Sec. 36.631 (c) and (d) for the following year.</p> <p>[52 FR 17229, May 6, 1987, as amended at 53 FR 33011 and 33012, Aug. 29, 1988; 63 FR 2125, Jan. 13, 1998; 64 FR 67430, Dec. 1, 1999; 64 FR 73428, Dec. 30, 1999; 69 FR 12553, Mar. 17, 2004]</p>		<p>X<sup>13</sup></p> <p>X<sup>14</sup></p>

<sup>13</sup> Even though common carriers are affected by this rule, the organizations responsible for implementing the Universal Service Fund, not the carriers, apply the rule. The Petition is not intended to affect Universal Service, and BST will continue to comply with Part 54 Universal Service.

<sup>14</sup> See previous footnote.

# Appendix 1 – Rules

47 C.F.R. PART 36 SUBPART F	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart F--Universal Service Fund Transitional Expense Adjustment</p> <p>Sec. 36.641 Transition.</p> <p>(a) The expense adjustment for 1993 and subsequent years shall be the amount computed in accordance with Sec. 36.631.</p> <p>(b) The expense adjustments for 1988 through 1992 shall be as follows:</p> <p>(1) Three-eighths of the amount computed in accordance with Sec. 36.631 in 1988;</p> <p>(2) One-half of the amount computed in accordance with Sec. 36.631 in 1989;</p> <p>(3) Five-eighths of the amount computed in accordance with Sec. 36.631 in 1990;</p> <p>(4) Three-quarters of the amount computed in accordance with Sec. 36.631 in 1991; and</p> <p>(5) Seven-eighths of the amount computed in accordance with Sec. 36.631 in 1992.</p>	X	X

## Appendix 1 – Rules

**PART 36 - Jurisdictional Separations Procedures; Standard Procedures for Separating Telecommunications Property Costs, Revenues, Expenses, Taxes and Reserves for Telephone Companies**  
Appendix to Part 36 – Glossary

<b>47 C.F.R. PART 36 APPENDIX</b>	<b>Action Requested</b>	
	<b>For-bear</b>	<b>No Action</b> (Does not apply to BST today)
Appendix  Appendix to Part 36--Glossary  The descriptions of terms in this glossary are broad and have been prepared to assist in understanding the use of such terms in the separation procedures. Terms which are defined in the text of this part are not included in this glossary.	X	
Appendix  Access Line  A communications facility extending from a customer's premises to a serving central office comprising a subscriber line and, if necessary, a trunk facility, e.g., a WATS access line, TWX access line.	X	
Appendix  Book Cost  The cost of property as recorded on the books of a company.	X	
Appendix  Cable Fill Factor  The ratio of cable conductor or cable pair kilometers in use to total cable conductor or cable pair kilometers available in the plant, e.g., the ratio of revenue producing cable pair kilometers in use to total cable pair kilometers in plant.	X	
Appendix  Category  A grouping of items of property or expense to facilitate the apportionment of their costs among the operations and to which, ordinarily, a common measure of use is applicable.	X	
Appendix  Central Office  A switching unit, in a telephone system which provides service to the general public, having the necessary equipment and operations arrangements for terminating and interconnecting subscriber lines and trunks or trunks only. There may be more than one central office in a building.	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Channel</p> <p>An electrical path suitable for the transmission of communications between two or more points, ordinarily between two or more stations or between channel terminations in Telecommunication Company central offices. A channel may be furnished by wire, fiberoptics, radio or a combination thereof.</p>	X	
<p>Appendix</p> <p>Circuit</p> <p>A fully operative communications path established in the normal circuit layout and currently used for message, WATS access, TWX, or private line services.</p>	X	
<p>Appendix</p> <p>Circuit Kilometers</p> <p>The route kilometers or revenue producing circuits in service, determined by measuring the length in terms of kilometers, of the actual path followed by the transmission medium.</p>	X	
<p>Appendix</p> <p>Common Channel Network Signaling</p> <p>Channels between switching offices used to transmit signaling information independent of the subscribers' communication paths or transmission channels.</p>	X	
<p>Appendix</p> <p>Complement (of cable)</p> <p>A group of conductors of the same general type (e.g., quadded, paired) within a single cable sheath.</p>	X	
<p>Appendix</p> <p>Complex</p> <p>All groups of operator positions, wherever located, associated with the same call distribution and/or stored program control unit.</p>	X	
<p>Appendix</p> <p>Concentrating Unit (TWX)</p> <p>An arrangement of central office equipment wherein traffic over a number of TWX circuits is automatically concentrated onto a lesser number of circuits between the concentrating unit and its associated TWX switching office.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Concentration Equipment</p> <p>Central office equipment whose function is to concentrate traffic from subscriber lines onto a lesser number of circuits between the remotely located concentration equipment and the serving central office concentration equipment. This concentration equipment is connected to the serving central office line equipment.</p>	X	
<p>Appendix</p> <p>Connection--Minute</p> <p>The product of (a) the number of messages and, (b) the average minutes of connection per message.</p>	X	
<p>Appendix</p> <p>Conversation--Minute</p> <p>The product of (a) the number of messages and, (b) the average minutes of conversation per message.</p>	X	
<p>Appendix</p> <p>Conversation-Minute-Kilometers</p> <p>The product of (a) the number of messages, (b) the average minutes of conversation per message and (c) the average route kilometers of circuits involved.</p>	X	
<p>Appendix</p> <p>Cost</p> <p>The cost of property owned by the Telephone Company whose property is to be apportioned among the operations. This term applies either to property costs recorded on the books of the company or property costs determined by other evaluation methods.</p>	X	
<p>Appendix</p> <p>Current Billing</p> <p>The combined amount of charges billed, excluding arrears.</p>	X	
<p>Appendix</p> <p>Customer Dialed Charge Traffic</p> <p>Traffic which is both (a) handled to completion through pulses generated by the customer and (b) for which either a message unit charge, bulk charge or message toll charge is except for that traffic recorded by means of message registers.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Customer Premises Equipment</p> <p>Items of telecommunications terminal equipment in Accounts 2310 referred to as CPE in Sec. 64.702 of the Federal Communication Commission's Rules adopted in the Second Computer Inquiry such as telephone instruments, data sets, dialers and other supplemental equipment, and PBX's which are provided by common carriers and located on customer premises and inventory included in these accounts to be used for such purposes. Excluded from this classification are similar items of equipment located on telephone company premises and used by the company in the normal course of business as well as over voltage protection equipment, customer premises wiring, coin operated public or pay telephones, multiplexing equipment to deliver multiple channels to the customer, mobile radio equipment and transmit earth stations.</p>	X	
<p>Appendix</p> <p>Customer Premises Wire</p> <p>The segment of wiring from the customer's side of the protector to the customer premises equipment.</p>	X	
<p>Appendix</p> <p>DSA Board</p> <p>A local dial office switchboard at which are handled assistance calls, intercepted calls and calls from miscellaneous lines and trunks. It may also be employed for handling certain toll calls.</p>	X	
<p>Appendix</p> <p>DSB Board</p> <p>A switchboard of a dial system for completing incoming calls received from manual offices.</p>	X	
<p>Appendix</p> <p>Data Processing Equipment</p> <p>Office equipment such as that using punched cards, punched tape, magnetic or other comparable storage media as an operating vehicle for recording and processing information. Includes machines for transcribing raw data into punched cards, etc., but does not include such items as key-operated, manually or electrically driven adding, calculating, bookkeeping or billing machines, typewriters or similar equipment.</p>	X	
<p>Appendix</p> <p>Dial Switching Equipment</p> <p>Switching equipment actuated by electrical impulses generated by a dial or key pulsing arrangement.</p>	X	



## Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Equal Access Costs</p> <p>Include only initial incremental presubscription costs and initial incremental expenditures for hardware and software related directly to the provision of equal access which would not be required to upgrade the switching capabilities of the office involved absent the provisions of equal access.</p>	X	
<p>Appendix</p> <p>Equivalent Gauge</p> <p>A standard cross section of cable conductors for use in equating the metallic content of cable conductors of all gauge to a common base.</p>	X	
<p>Appendix</p> <p>Equivalent Kilometers of 104 Wire</p> <p>The basic units employed in the allocation of pole lines costs for determining the relative use made of poles by aerial cables and by aerial wire conductors of various sizes. This unit reflects the relative loads of such cable and wire carried on poles.</p>	X	
<p>Appendix</p> <p>Equivalent Pair Kilometers</p> <p>The product of sheath Kilometers and the number of equivalent gauge pairs of conductors in a cable.</p>	X	
<p>Appendix</p> <p>Equivalent Sheath Kilometers</p> <p>The product of (a) the length of a section of cable in kilometers (sheath kilometers) and (b) the ratio of the metallic content applicable to a particular group of conductors in the cable (e.g., conductors assigned to a category) to the metallic content of all conductors in the cable.</p>	X	
<p>Appendix</p> <p>Exchange Transmission Plant</p> <p>This is a combination of (a) exchange cable and wire facilities (b) exchange central office circuit equipment, including associated land and buildings and (c) information origination/termination equipment which forms a complete channel.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Holding Time</p> <p>The time in which an item of telephone plant is in actual use either by a customer or an operator. For example, on a completed telephone call, holding time includes conversation time as well as other time in use. At local dial offices any measured minutes which result from other than customer attempts to place calls (as evidenced by the dialing of at least one digit) are not treated as holding time.</p>	X	
<p>Appendix</p> <p>Host Central Office</p> <p>An electronic analog or digital base switching unit containing the central call processing functions which service the host office and its remote locations.</p>	X	
<p>Appendix</p> <p>Information Origination/Termination Equipment</p> <p>Equipment used to input into or receive output from the telecommunications network.</p>	X	
<p>Appendix</p> <p>Interexchange Channel</p> <p>A circuit which is included in the interexchange transmission equipment.</p>	X	
<p>Appendix</p> <p>Interexchange Transmission Equipment</p> <p>The combination of (a) interexchange cable and wire facilities, (b) interexchange circuit equipment and, (c) associated land and buildings.</p>	X	
<p>Appendix</p> <p>Interlocal Trunk</p> <p>A circuit between two local central office units, either manual or dial. Interlocal trunks may be used for either exchange or toll traffic or both.</p>	X	
<p>Appendix</p> <p>Intertoll Circuits</p> <p>Circuits between toll centers and circuits between a toll center and a tandem system in a different toll center area.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Local Channel</p> <p>The portion of a private line circuit which is included in the exchange transmission plant. However, common usage of this term usually excludes information origination/termination equipment.</p>	X	
<p>Appendix</p> <p>Local Office</p> <p>A central office serving primarily as a place of termination for subscriber lines and for providing telephone service to the subscribers on these lines.</p>	X	
<p>Appendix</p> <p>Loop</p> <p>A pair of wires, or its equivalent, between a customer's station and the central office from which the station is served.</p>	X	
<p>Appendix</p> <p>Message</p> <p>A completed call, i.e., a communication in which a conversation or exchange of information took place between the calling and called parties.</p>	X	
<p>Appendix</p> <p>Message Service or Message Toll Service</p> <p>Switched service furnished to the general public (as distinguished from private line service). Except as otherwise provided, this includes exchange switched services and all switched services provided by interexchange carriers and completed by a local telephone company's access services, e.g., MTS, WATS, Execunet, open-end FX and CCSA/ONALs</p>	X	
<p>Appendix</p> <p>Message Units</p> <p>Unit of measurement used for charging for measured message telephone exchange traffic within a specified area.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Metropolitan Service Area</p> <p>The area around and including a relatively large city and in which substantially all of the message telephone traffic between the city and the suburban points within the area is classified as exchange in one or both directions.</p>	X	
<p>Appendix</p> <p>Minutes-of-Use</p> <p>A unit of measurement expressed as either holding time or conversation time.</p>	X	
<p>Appendix</p> <p>Minutes-of-Use-Kilometers</p> <p>The product of (a) the number of minutes-of-use and (b) the average route kilometers of circuits involved.</p>	X	
<p>Appendix</p> <p>Multi-Center Exchange</p> <p>An exchange area in which are located two or more local central office buildings or wire centers.</p>	X	
<p>Appendix</p> <p>Operations</p> <p>The term denoting the general classifications of services rendered to the public for which separate tariffs are filed, namely exchange, state toll and interstate toll.</p>	X	
<p>Appendix</p> <p>Operator Trunks</p> <p>A general term, ordinarily applied to trunks between manually operated switchboard positions and local dial central offices in the same wire center.</p>	X	
<p>Appendix</p> <p>Private Line Service</p> <p>A service for communications between specified locations for a continuous period or for regularly recurring periods at stated hours.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For- bear	No Action (Does not apply to BST today)
Appendix  Remote Access Line  An access line (e.g., for WATS or TWX service) between a subscriber's premises in one toll rate center and a serving central office located in a different toll rate center.	X	
Appendix  Remote Line Location  A remotely located subscriber line access unit which is normally dependent upon the central processor of the host office for call processing functions.	X	
Appendix  Remote Trunk Arrangement (RTA)  Arrangement that permits the extension of TSPS functions to remote locations.	X	
Appendix  Reservation  That amount or quantity of property kept or set apart for a specific use.	X	
Appendix  Reserved  Kept or set apart for a specific use.	X	
Appendix  Separations  The process by which telecommunication property costs, revenues, expenses, taxes and reserves are apportioned among the operations.	X	
Appendix  Service Observing Unit  A unit of work measurement which is used as the common denominator to express the relative time required for handling the various work functions at service observing boards.	X	
Appendix  Sheath Kilometers  The actual length of cable in route kilometers.	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Special Services</p> <p>All services other than message telephones, e.g., teletypewriter exchange service (TWX), private line services.</p>	X	
<p>Appendix</p> <p>Station-to-Station Basis</p> <p>The term applied to the basis of toll rate making which contemplates that the message toll service charge (telephone or TWX) covers the use made of all facilities between the originating station and the terminating station, including the stations, and the services rendered in connection therewith.</p>	X	
<p>Appendix</p> <p>Study Area</p> <p>Study area boundaries shall be frozen as they are on November 15, 1984.</p>	X	
<p>Appendix</p> <p>Subscriber Line or Exchange Line</p> <p>A communication channel between a telephone station, PBX or TWX station and the central office which serves it.</p>	X	
<p>Appendix</p> <p>Subtributary Office</p> <p>A class of tributary office which does not have direct access to its toll center, but which is connected to its toll center office by means of circuits which are switched through to the toll center at another tributary office.</p>	X	
<p>Appendix</p> <p>Tandem Area</p> <p>The general areas served by the local offices having direct trunks to or from the tandem office. This area may consist of one or more communities or may include only a portion of a relatively large city.</p>	X	
<p>Appendix</p> <p>Tandem Circuit or Trunk</p> <p>A general classification of circuits or trunks between a tandem central office unit and any other central office or switchboard.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Tandem Connection</p> <p>A call switched at a tandem office.</p>	X	
<p>Appendix</p> <p>Tandem Office</p> <p>A central office unit used primarily as an intermediate switching point for traffic between local central offices within the tandem area. Where qualified by a modifying expression, or other explanation, this term may be applied to an office employed for both the interconnection of local central offices within the tandem area and for the interconnection of these local offices with other central offices, e.g., long haul tandem office.</p>	X	
<p>Appendix</p> <p>Toll Center</p> <p>An office (or group of offices) within a city which generally handles the originating and incoming toll traffic for that city to or from other toll center areas and which handles through switched traffic. The toll center normally handles the inward toll traffic for its tributary exchanges and, in general, either handles the outward traffic originating at its tributaries or serves as the outlet to interexchange circuits for outward traffic ticketed and timed at its tributaries. Toll centers are listed as such in the Toll Rate and Route Guide.</p>	X	
<p>Appendix</p> <p>Toll Center Area</p> <p>The areas served by a toll center, including the toll center city and the communities served by tributaries of the toll center.</p>	X	
<p>Appendix</p> <p>Toll Center Toll Office</p> <p>A toll office (as contrasted to a local office) in a toll center city.</p>	X	
<p>Appendix</p> <p>Toll Circuit</p> <p>A general term applied to interexchange trunks used primarily for toll traffic.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Toll Connecting Trunk</p> <p>A general classification of trunks carrying toll traffic and ordinarily extending between a local office and a toll office, except trunks classified as tributary circuits. Examples of toll connecting trunks include toll switching trunks, recording trunks and recording-completing trunks.</p>	X	
<p>Appendix</p> <p>Toll Office</p> <p>A central office used primarily for supervising and switching toll traffic.</p>	X	
<p>Appendix</p> <p>Traffic Over First Routes</p> <p>A term applied to the routing of traffic and denoting routing via principal route for traffic between any two points as distinguished from alternate routes for such traffic</p>	X	
<p>Appendix</p> <p>Operator System</p> <p>A stored program electronic system associated with one or more toll switching systems which provides centralized traffic service position functions for several local offices at one location.</p>	X	
<p>Appendix</p> <p>Tributary Circuit</p> <p>A circuit between a tributary office and a toll switchboard or intertoll dialing equipment in a toll center city.</p>	X	
<p>Appendix</p> <p>Tributary Office</p> <p>A local office which is located outside the exchange in which a toll center is located, which has a different rate center from its toll center and which usually tickets and times only a part of its originating toll traffic, but which may ticket or time all or none, of such traffic. The toll center handles all outward traffic not ticketed and timed at the tributary and normally switches all inward toll traffic from outside the tributary's toll center to the tributary. Tributary offices are indicated as such in the Toll Rate and Route Guide.</p>	X	



## Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Trunks</p> <p>Circuit between switchboards or other switching equipment, as distinguished from circuits which extend between central office switching equipment and information origination/termination equipment.</p>	X	
<p>Appendix</p> <p>TSPS Complex</p> <p>All groups of operator positions, wherever located, associated with the same TSPS stored program control units.</p>	X	
<p>Appendix</p> <p>TWX</p> <p>Teletypewriter Exchange Service.</p>	X	
<p>Appendix</p> <p>TWX Connection</p> <p>A completed TWX call, i.e., a call on which a TWX communication was passed between the calling and called stations</p>	X	
<p>Appendix</p> <p>TWX Connection-Minute-Kilometers</p> <p>The product of (a) the number of TWX connections, (b) the average minutes per TWX connection and (c) the average route kilometers of circuits involved.</p>	X	
<p>Appendix</p> <p>TWX Switching Plant Trunks</p> <p>Interexchange circuits, excluding remote access lines, which handle 100 word per minute TWX traffic only.</p>	X	
<p>Appendix</p> <p>Weighted Standard Work Second</p> <p>A measurement of traffic operating work which is used to express the relative time required to handle the various kinds of calls or work functions, and which is weighted to reflect appropriate degrees of waiting to serve time.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 36 APPENDIX	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Appendix</p> <p>Wide Area Telephone Service WATS</p> <p>A toll service offering for customer dial type telecommunications between a given customer station and stations within specified geographic rate areas employing a single access line between the customer location and the serving central office. Each access line may be arranged for either outward (OUT-WATS) or inward (IN-WATS) service or both.</p>	X	
<p>Appendix</p> <p>Wideband Channel</p> <p>A communication channel of a bandwidth equivalent to twelve or more voice grade channels.</p>	X	
<p>Appendix</p> <p>Working Loop</p> <p>A revenue producing pair of wires, or its equivalent, between a customer's station and the central office from which the station is served.</p>	X	
<p>Appendix</p> <p>[52 FR 17229, May 6, 1987, as amended at 53 FR 33012, Aug. 29, 1988; 53 FR 39095, Oct. 5, 1989; 58 FR 44905, Aug. 25, 1993]</p>		

## PART 43 – Reports of Communication Common Carriers and Certain Affiliates

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## Appendix 1 – Rules

47 C.F.R. PART 43 (Selected Rules)	Action Requested	
	For-bear	No Action
<p>Sec. 43.21 Transactions with affiliates.</p> <p>(f) Each incumbent local exchange carrier with operating revenues for the preceding year that equal or exceed the indexed revenue threshold shall file, no later than April 1 of each year, a report showing for the previous calendar year its revenues, expenses, taxes, plant in service, other investment and depreciation reserves, and other such data as are required by the Commission, on computer media prescribed by the Commission. The total operating results shall be allocated between regulated and nonregulated operations, and the regulated data shall be further divided into the following categories: State and interstate, and the interstate will be further divided into common line, traffic sensitive access, special access, and nonaccess.</p> <p>(g) Each incumbent local exchange carrier for whom price cap regulation is mandatory and every incumbent local exchange carrier that elects to be covered by the price cap rules shall file, by April 1 of each year, a report designed to capture trends in service quality under price cap regulation. The report shall contain data relative to network measures of service quality, as defined by the Wireline Competition Bureau, from the previous calendar year on a study area basis.</p> <p>(h) Each incumbent local exchange carrier for whom price cap regulation is mandatory shall file, by April 1 of each year, a report designed to capture trends in service quality under price cap regulation. The report shall contain data relative to customer measures of service quality, as defined by the Wireline Competition Bureau, from the previous calendar year a study area basis.</p> <p>(i) Each incumbent local exchange carrier for whom price regulation is mandatory shall file, by April 1 of each year, a report containing data from the previous calendar year on a study area basis that are designed to capture trends in telephone industry infrastructure development under price cap regulation.</p> <p>(j) Each incumbent local exchange carrier with annual operating revenues that equal or exceed the indexed revenue threshold shall file, no later than April 1 of each year, a report containing data from the previous calendar year on an operating company basis. Such report shall combine statistical data designed to monitor network growth, usage, and reliability.</p> <p>(k) Each designated interstate carrier with operating revenues for the preceding year that equal or exceed the indexed revenue threshold shall file, no later than April 1 of each year, a report showing for the previous calendar year its revenues, expenses, taxes, plant in service, other investments and depreciation reserves, and such other data as are required by the Commission, on computer media prescribed by the Commission. The total operating results shall be allocated between regulated and nonregulated operations, and the regulated data shall be further divided into the following categories: State and interstate, and the interstate will be further divided into common line, traffic sensitive access, special access, and nonaccess.</p> <p>[28 FR 13214, Dec. 5, 1963, as amended at 49 FR 10122, Mar. 19, 1984; 50 FR 41153, Oct. 9, 1985; 51 FR 37024, Oct. 17, 1986; 52 FR 35918, Sept. 24, 1987; 58 FR 36143, July 6, 1993; 61 FR 50245, Sept. 25, 1996; 62 FR 39778, July 24, 1997; 67 FR 5700, Feb. 6, 2002; 67 FR 13225, Mar. 21, 2002]</p>		<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>

## Appendix 1 – Rules

### PART 61 – Tariffs

#### Subpart E – General Rules for Dominant Carriers

47 C.F.R. PART 61 SUBPART E (Selected Rules)	Action Requested	
	For-bear	No Action
<p>Sec. 61.45 Adjustments to the PCI for Local Exchange Carriers.</p> <p>.....</p> <p>(d) The exogenous cost changes represented by the term "Z" in the formula detailed in paragraph (b)(1)(i) of this section shall be limited to those cost changes that the Commission shall permit or require by rule, rule waiver, or declaratory ruling.</p> <p>(1) Subject to further order of the Commission, those exogenous changes shall include cost changes caused by:</p> <p>(i) The completion of the amortization of depreciation reserve deficiencies; X</p> <p>(ii) Such changes in the Uniform System of Accounts, including changes in the Uniform System of Accounts requirements made pursuant to Sec. 32.16 of this chapter, as the Commission shall permit or require be treated as exogenous by rule, rule waiver, or declaratory ruling; X</p> <p>(iii) Changes in the Separations Manual; X</p> <p>(iv) [Reserved] X</p> <p>(v) The reallocation of investment from regulated to nonregulated activities pursuant to Sec. 64.901 of this chapter; X</p> <p>(vi) Such tax law changes and other extraordinary cost changes as the Commission shall permit or require be treated as exogenous by rule, rule waiver, or declaratory ruling; X</p> <p>(vii) Retargeting the PCI to the level specified by the Commission for carriers whose base year earnings are below the level of the lower adjustment mark, subject to the limitation in Sec. 69.731 of this chapter. The allocation of LFAM amounts will be allocated pursuant to Sec. 61.45(d)(3). This section shall not be applicable to tariff filings during the tariff year beginning July 1, 2000, but is applicable in subsequent years; X</p> <p>(viii) Inside wire amortizations; X</p> <p>(ix) The completion of amortization of equal access expenses. X</p> <p>(2) Local exchange carriers specified in Sec. Sec. 61.41(a)(2) or (a)(3) shall, in their annual access tariff filing, recognize all exogenous cost changes attributable to modifications during the coming tariff year in their Subscriber Plant Factor and the Dial Equipment Minutes factor, and completions of inside wire amortizations and reserve deficiency amortizations. X</p> <p>(3) Exogenous cost changes shall be apportioned on a cost-causative basis between price cap services as a group, and excluded services as a group. Total exogenous cost changes thus attributed to price cap services shall be recovered from services other than those used to calculate the ATS charge. X</p> <p>.....</p>		

## Appendix 1 – Rules

## PART 64 – Miscellaneous Rules Relating to Common Carriers

### Subpart I – Allocation of Costs

47 C.F.R. PART 64 SUBPART I	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart I --Allocation of Costs.		
Sec. 64.901 Allocation of costs.		
(a) Carriers required to separate their regulated costs from nonregulated costs shall use the attributable cost method of cost allocation for such purpose.	X	
(b) In assigning or allocating costs to regulated and nonregulated activities, carriers shall follow the principles described herein.	X	
(1) Tariffed services provided to a nonregulated activity will be charged to the nonregulated activity at the tariffed rates and credited to the regulated revenue account for that service. Nontariffed services, offered pursuant to a section 252(e) agreement, provided to a nonregulated activity will be charged to the nonregulated activity at the amount set forth in the applicable interconnection agreement approved by a state commission pursuant to section 252(e) and credited to the regulated revenue account for that service.		
(2) Costs shall be directly assigned to either regulated or nonregulated activities whenever possible.		
(3) Costs which cannot be directly assigned to either regulated or nonregulated activities will be described as common costs. Common costs shall be grouped into homogeneous cost categories designed to facilitate the proper allocation of costs between a carrier's regulated and nonregulated activities. Each cost category shall be allocated between regulated and nonregulated activities in accordance with the following hierarchy:		
(i) Whenever possible, common cost categories are to be allocated based upon direct analysis of the origin of the cost themselves.		
(ii) When direct analysis is not possible, common cost categories shall be allocated based upon an indirect, cost-causative linkage to another cost category (or group of cost categories) for which a direct assignment or allocation is available.		
(iii) When neither direct nor indirect measures of cost allocation can be found, the cost category shall be allocated based upon a general allocator computed by using the ratio of all expenses directly assigned or attributed to regulated and nonregulated activities.		
(4) The allocation of central office equipment and outside plant investment costs between regulated and nonregulated activities shall be based upon the relative regulated and nonregulated usage of the investment during the calendar year when nonregulated usage is greatest in comparison to regulated usage during the three calendar years beginning with the calendar year during which the investment usage forecast is filed.		
(c) A telecommunications carrier may not use services that are not competitive to subsidize services subject to competition. Services included in the definition of universal service shall bear no more than a reasonable share of the joint and common costs of facilities used to provide those services.	X	
[52 FR 6560, Mar. 4, 1987, as amended at 52 FR 39534, Oct. 22, 1987; 54 FR 49762, Dec. 1, 1989; 62 FR 45588, Aug. 28, 1997; 67 FR 5702, Feb. 6, 2002]		

## Appendix 1 – Rules

47 C.F.R. PART 64 SUBPART I	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart I--Allocation of Costs.		
Sec. 64.902 Transactions with affiliates.		
<p>Except for carriers which employ average schedules in lieu of determining their costs, all carriers subject to Sec. 64.901 are also subject to the provisions of Sec. 32.27 of this chapter concerning transactions with affiliates.</p> <p>[55 FR 30461, July 26, 1990]</p>	X	
Subpart I--Allocation of Costs.		
Sec. 64.903 Cost allocation manuals.		
<p>(a) Each incumbent local exchange carrier having annual revenues from regulated telecommunications operations that are equal to or above the indexed revenue threshold (as defined in Sec. 32.9000 of this chapter) except mid-sized incumbent local exchange carriers is required to file a cost allocation manual describing how it separates regulated from nonregulated costs. The manual shall contain the following information regarding the carrier's allocation of costs between regulated and nonregulated activities:</p> <ol style="list-style-type: none"> <li>(1) A description of each of the carrier's nonregulated activities;</li> <li>(2) A list of all the activities to which the carrier now accords incidental accounting treatment and the justification therefor;</li> <li>(3) A chart showing all of the carrier's corporate affiliates;</li> <li>(4) A statement identifying each affiliate that engages in or will engage in transactions with the carrier and describing the nature, terms and frequency of each transaction;</li> <li>(5) A cost apportionment table showing, for each account containing costs incurred in providing regulated services, the cost pools with that account, the procedures used to place costs into each cost pool, and the method used to apportion the costs within each cost pool between regulated and nonregulated activities; and</li> <li>(6) A description of the time reporting procedures that the carrier uses, including the methods or studies designed to measure and allocate non-productive time.</li> </ol> <p>(b) Each carrier shall ensure that the information contained in its cost allocation manual is accurate. Carriers must update their cost allocation manuals at least annually, except that changes to the cost apportionment table and to the description of time reporting procedures must be filed at the time of implementation. Annual cost allocation manual updates shall be filed on or before the last working day of each calendar year. Proposed changes in the description of time reporting procedures, the statement concerning affiliate transactions, and the cost apportionment table must be accompanied by a statement quantifying the impact of each change on regulated operations. Changes in the description of time reporting procedures and the statement concerning affiliate transactions must be quantified in \$100,000 increments at the account level. Changes in cost apportionment tables must be quantified in \$100,000 increments at the cost pool level. The Chief, Wireline Competition Bureau may suspend any such changes for a period not to exceed 180 days, and may thereafter allow the change to become effective or prescribe a different procedure.</p> <p>(c) The Commission may by order require any other communications common carrier to file and maintain a cost allocation manual as provided in this section.</p>	X	
[57 FR 4375, Feb. 5, 1992, as amended at 59 FR 46358, Sept. 8, 1994; 61 FR 50246, Sept. 25, 1996; 62 FR 39779, July 24, 1997; 65 FR 16335, Mar. 28, 2000; 67 FR 5702, Feb. 6, 2002; 67 FR 13229, Mar. 21, 2002]		

# Appendix 1 – Rules

47 C.F.R. PART 64 SUBPART I	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart I--Allocation of Costs.</p> <p>Sec. 64.904 Independent audits.</p> <p>(a) Each carrier required to file a cost allocation manual shall elect to either have an attest engagement performed by an independent auditor every two years, covering the prior two year period, or have a financial audit performed by an independent auditor every two years, covering the prior two year period. In either case, the initial engagement shall be performed in the calendar year after the carrier is first required to file a cost allocation manual.</p> <p>(b) The attest engagement shall be an examination engagement and shall provide a written communication that expresses an opinion that the systems, processes, and procedures applied by the carrier to generate the results reported pursuant to Sec. 43.21(e)(2) of this chapter comply with the Commission's Joint Cost Orders issued in conjunction with CC Docket No. 86-111, the Commission's Accounting Safeguards proceeding in CC Docket No. 96-150, and the Commission's rules and regulations including Sec. Sec. 32.23 and 32.27 of this chapter, and Sec. 64.901, and Sec. 64.903 in force as of the date of the auditor's report. At least 30 days prior to beginning the attestation engagement, the independent auditors shall provide the Commission with the audit program. The attest engagement shall be conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants, except as otherwise directed by the Chief, Enforcement Bureau.</p> <p>(c) The biennial financial audit shall provide a positive opinion on whether the applicable date shown in the carrier's annual report required by Sec. 43.21(e)(2) of this chapter present fairly, in all material respects, the information of the Commission's Joint Cost Orders issued in conjunction with CC Docket No. 86-111, the Commission's Accounting Safeguards proceeding in CC Docket No. 96-150, and the Commission's rules and regulations including Sec. Sec. 32.23 and 32.27 of this chapter, and Sec. 64.901, and Sec. 64.903 in force as of the date of the auditor's report. The audit shall be conducted in accordance with generally accepted auditing standards, except as otherwise directed by the Chief, Enforcement Bureau. The report of the independent auditor shall be filed at the time that the carrier files the annual reports required by Sec. 43.21(e)(2) of this chapter.</p> <p>[67 FR 5702, Feb. 6, 2002, as amended at 67 FR 13229, Mar. 21, 2002]</p>	<p>X</p> <p>X</p> <p>X</p>	
<p>Subpart I--Allocation of Costs.</p> <p>Sec. 64.905 Annual certification.</p> <p>A mid-sized incumbent local exchange carrier, as defined in Sec. 32.9000 of this chapter, shall file a certification with the Commission stating that it is complying with Sec. 64.901. The certification must be signed, under oath, by an officer of the mid-sized incumbent LEC, and filed with the Commission on an annual basis at the time that the mid-sized incumbent LEC files the annual reports required by Sec. 43.21(e)(2) of this chapter.</p> <p>[67 FR 5702, Feb. 6, 2002]</p>		<p>X</p>



## Appendix 1 – Rules

### PART 65 – Interstate Rate of Return Prescription Procedures and Methodologies

#### Subpart E – Rate of Return Reports

47 C.F.R. PART 65 SUBPART E	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart E--Rate of Return Reports</p> <p>Sec. 65.600 Rate of return reports.</p> <p>(a) Subpart E shall apply to those interstate communications common carriers and exchange carriers that are so designated by Commission order.</p> <p>(b) Each local exchange carrier or group of affiliated carriers which is not subject to Sec. Sec. 61.41 through 61.49 of this chapter and which has filed individual access tariffs during the preceding enforcement period shall file with the Commission within three (3) months after the end of each calendar year, an annual rate of return monitoring report which shall be the enforcement period report. Reports shall be filed on the appropriate report form prescribed by the Commission (see Sec. 1.795 of this chapter) and shall provide full and specific answers to all questions propounded and information requested in the currently effective report form. The number of copies to be filed shall be specified in the applicable report form. At least one copy of the report shall be signed on the signature page by the responsible officer. A copy of each report shall be retained in the principal office of the respondent and shall be filed in such a manner as to be readily available for reference and inspection. Final adjustments to the enforcement period report shall be made by September 30 of the year following the enforcement period to ensure that any refunds can be properly reflected in an annual access filing.</p> <p>(c) Each interexchange carrier subject to Sec. Sec. 61.41 through 61.49 shall file with the Commission, within three (3) months after the end of each calendar year, the total interstate rate of return for that year for all interstate services subject to regulation by the Commission. Each such filing shall include a report of the total revenues, total expenses and taxes, operating income, and the rate base. A copy of the filing shall be retained in the principal office of the respondent and shall be filed in such manner as to be readily available for reference and inspection.</p>	X	X

# Appendix 1 – Rules

47 C.F.R. PART 65 SUBPART E	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart E--Rate of Return Reports</p> <p>Sec. 65.600 Rate of return reports (<b>continued</b>).</p> <p>(d)(1) Each local exchange carrier or group of affiliated carriers subject to Sec. Sec. 61.41 through 61.49 of this chapter shall file with the Commission within three (3) months after the end of each calendar year a report of its total interstate rate of return for that year. Such filings shall include a report of the total revenues, total expenses and taxes, operating income, and the rate base. Reports shall be filed on the appropriate form prescribed by the Commission (see Sec. 1.795 of this chapter) and shall provide full and specific answers to all questions propounded and information requested in the currently effective form. The number of copies to be filed shall be specified in the applicable report form. At least one copy of the report shall be retained in the principal office of the respondent and shall be filed in such manner as to be readily available for reference and inspection.</p> <p>(2) Each local exchange carrier or group of affiliated carriers subject to Sec. Sec. 61.41 through 61.49 of this chapter shall file with the Commission within fifteen (15) months after the end of each calendar year a report reflecting any corrections or modifications to the report filed pursuant to paragraph (d)(1) of this section. Reports shall be filed on the appropriate form prescribed by the Commission (see Sec. 1.795 of this chapter) and shall provide full and specific answers to all questions propounded and information requested in the currently effective form. The number of copies to be filed shall be specified in the applicable report form. At least one copy of the report shall be retained in the principal office of the respondent and shall be filed in such manner as to be readily available for reference and inspection.</p> <p>[52 FR 274, Jan. 5, 1987, as amended at 54 FR 19844, May 8, 1989; 55 FR 42385, Oct. 19, 1990; 56 FR 21617, May 10, 1991; 62 FR 5166, Feb. 4, 1997]</p>	<p>X</p> <p>X</p>	

## Appendix 1 – Rules

## PART 69— Access Charges

### Subpart D—Apportionment of Net Investment

47 C.F.R. PART 69 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart D--Apportionment of Net Investment Sec. 69.301 General.</p> <p>(a) For purposes of computing annual revenue requirements for access elements net investment as defined in Sec. 69.2 (z) shall be apportioned among the interexchange category, the billing and collection category and access elements as provided in this subpart. For purposes of this subpart, local transport includes five elements: entrance facilities, direct-trunked transport, tandem-switched transport, dedicated signaling transport, and the interconnection charge. Expenses shall be apportioned as provided in subpart E of this part.</p> <p>(b) The End User Common Line and Carrier Common Line elements shall be combined for purposes of this subpart and subpart E of this part. Those elements shall be described collectively as the Common Line element. The Common Line element revenue requirement shall be segregated in accordance with subpart F of this part.</p> <p>[52 FR 37312, Oct. 6, 1987, as amended at 57 FR 54722, Nov. 20, 1992]</p>	X	
<p>Subpart D--Apportionment of Net Investment Sec. 69.302 Net investment.</p> <p>(a) Investment in Accounts 2001, 1220 and Class B Rural Telephone Bank Stock booked in Account 1410 shall be apportioned among the interexchange category, billing and collection category and appropriate access elements as provided in Sec. Sec. 69.303 through 69.309.</p> <p>(b) Investment in Accounts 2002, 2003 and to the extent such inclusions are allowed by this Commission, Account 2005 shall be apportioned on the basis of the total investment in Account 2001, Telecommunications Plant in Service.</p> <p>[52 FR 37312, Oct. 6, 1987, as amended at 54 FR 3456, Jan. 24, 1989; 67 FR 5703, Feb. 6, 2002]</p>	X	
<p>Subpart D--Apportionment of Net Investment Sec. 69.303 Information origination/termination equipment (IOT).</p> <p>Investment in all other IOT shall be apportioned between the Special Access and Common Line elements on the basis of the relative number of equivalent lines in use, as provided herein. Each interstate or foreign Special Access Line, excluding lines designated in Sec. 69.115(e), shall be counted as one or more equivalent lines where channels are of higher than voice bandwidth, and the number of equivalent lines shall equal the number of voice capacity analog or digital channels to which the higher capacity is equivalent. Local exchange subscriber lines shall be multiplied by the interstate Subscriber Plant Factor to determine the number of equivalent local exchange subscriber lines.</p> <p>[52 FR 37312, Oct. 6, 1987, as amended at 62 FR 31938, June 11, 1997]</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 69 SUBPART D	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart--Apportionment of Net Investment Sec. 69.304 Subscriber line cable and wire facilities.</p> <p>(a) Investment in local exchange subscriber lines shall be assigned to the Common Line element.</p> <p>(b) Investment in interstate and foreign private lines and interstate WATS access lines shall be assigned to the Special access element.</p> <p>[52 FR 37312, Oct. 6, 1987, as amended at 62 FR 31938, June 11, 1997]</p>	<p>X</p> <p>X</p>	
<p>Subpart D--Apportionment of Net Investment Sec. 69.305 Carrier cable and wire facilities (C&amp;WF).</p> <p>(a) Carrier C&amp;WF that is not used for "origination" or "termination" as defined in Sec. 69.2(bb) and Sec. 69.2(cc) shall be assigned to the interexchange category.</p> <p>(b) Carrier C&amp;WF, other than WATS access lines, not assigned pursuant to paragraph (a), (c), or (e) of this section that is used for interexchange services that use switching facilities for origination and termination that are also used for local exchange telephone service shall be apportioned to the local Transport elements.</p> <p>(c) Carrier C&amp;WF that is used to provide transmission between the local exchange carrier's signalling transfer point and the database shall be assigned to the Line Information Database sub-element at Sec. 69.120(a).</p> <p>(d) All Carrier C&amp;WF that is not apportioned pursuant to paragraphs (a), (b), (c), and (e) of this section shall be assigned to the Special Access element.</p> <p>(e) Carrier C&amp;WF that is used to provide transmission between the local exchange carrier's signalling transfer point and the local switch shall be assigned to the local switching category.</p> <p>[52 FR 37312, Oct. 6, 1987, as amended at 57 FR 24380, June 9, 1992; 58 FR 30995, May 28, 1993; 62 FR 31938, June 11, 1997]</p>	<p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p>	

## Appendix 1 – Rules

47 C.F.R. PART 69 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
Subpart D--Apportionment of Net Investment Sec. 69.306 Central office equipment (COE).		
(a) The Separations Manual categories shall be used for purposes of apportioning investment in such equipment except that any Central office equipment attributable to local transport shall be assigned to the Transport elements.	X	
(b) COE Category 1 (Operator Systems Equipment) shall be apportioned among the interexchange category and the access elements as follows: Category 1 that is used for intercept services shall be assigned to the Local Switching element. Category 1 that is used for directory assistance shall be assigned to the Information element. Category 1 other than service observation boards that is not assigned to the Information element and is not used for intercept services shall be assigned to the interexchange category. Service observation boards shall be apportioned among the interexchange category, and the Information and Transport access elements based on the remaining combined investment in COE Category 1, Category 2 and Category 3.	X	
(c) COE Category 2 (Tandem Switching Equipment) that is deemed to be exchange equipment for purposes of the Modification of Final Judgment in United States v. Western Electric Co. shall be assigned to the tandem switching charge subelement and the interconnection charge element. COE Category 2 which is associated with the signal transfer point function shall be assigned to the local switching category. COE Category 2 which is used to provide transmission facilities between the local exchange carrier's signalling transfer point and the database shall be assigned to the Line Information Database subelement at Sec. 69.120(a). All other COE Category 2 shall be assigned to the interexchange category.	X	
(d) COE Category 3 (Local Switching Equipment) shall be assigned to the Local Switching element except as provided in paragraph (a) of this section; and that, (1) For telephone companies subject to price cap regulation set forth in part 61 of this chapter, line-side port costs shall be assigned to the Common Line rate element; and (2) Beginning January 1, 2002, for non-price cap local exchange carriers, line-side port costs shall be assigned to the Common Line rate element. Such amount shall be determined after any local switching support has been removed from the interstate Local Switching revenue requirement. Non-price cap local exchange carriers may use thirty percent of the interstate Local Switching revenue requirement, minus any local switching support, as a proxy for allocating line port costs to the Common Line category.	X	
(e) COE Category 4 (Circuit Equipment) shall be apportioned among the interexchange category and the Common Line, Transport, and Special Access elements. COE Category 4 shall be apportioned in the same proportions as the associated Cable and Wireless Facilities; except that any DS1/voice-grade multiplexer investment associated with analog local switches and assigned to the local transport category by this section shall be reallocated to the local switching category.	X	

[52 FR 37312, Oct. 6, 1987, as amended at 57 FR 54722, Nov. 20, 1992; 58 FR 30995, May 28, 1993; 62 FR 31938, June 11, 1997; 66 FR 59732, Nov. 30, 2001]

## Appendix 1 – Rules

47 C.F.R. PART 69 SUBPART D	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart --Apportionment of Net Investment Sec. 69.307 General support facilities.</p> <p>(a) General purpose computer investment used in the provision of the Line Information Database sub-element at Sec. 69.120(b) shall be assigned to that sub-element.</p> <p>(b) General purpose computer investment used in the provision of the billing name and address element at Sec. 69.128 shall be assigned to that element.</p> <p>(c)(1) Until June 30, 2002, for all local exchange carriers not subject to price cap regulation and for other carriers that acquire all of the billing and collection services that they provide to interexchange carriers from unregulated affiliates through affiliate transactions, from unaffiliated third parties, or from both of these sources, all other General Support Facilities investments shall be apportioned among the interexchange category, the billing and collection category, and Common Line, Local Switching, Information, Transport, and Special Access elements on the basis of Central Office Equipment, Information Origination/Termination Equipment, and Cable and Wire Facilities, combined.</p> <p>(2) Beginning July 1, 2002, for all local exchange carriers that acquire all of the billing and collection services that they provide to interexchange carriers from unregulated affiliates through affiliate transactions, from unaffiliated third parties, or from both of these sources, all other General Support Facilities investments shall be apportioned among the interexchange category, the billing and collection category, and Common Line, Local Switching, Information, Transport, and Special Access elements on the basis of Central Office Equipment, Information Origination/Termination Equipment, and Cable and Wire Facilities, combined.</p> <p>(d) For local exchange carriers subject to price cap regulation and not covered by Section 69.307(c), a portion of General purpose computer investment (Account 2124), investment in Land (Account 2111), Buildings (Account 2121), and Office equipment (Account 2123) shall be apportioned to the billing and collection category on the basis of the Big Three Expense Factors allocator, defined in Section 69.2 of this Part, modified to exclude expenses that are apportioned on the basis of allocators that include General Support Facilities investment. The remaining portion of investment in these four accounts together with all other General Support Facilities investments shall be apportioned among the interexchange category, the billing and collection category, and Common Line, Local Switching, Information, Transport, and Special Access Elements on the basis of Central Office Equipment, Information Origination/Termination Equipment, and Cable and Wire Facilities, combined.</p> <p>(e) Beginning July 1, 2002, for non-price cap local exchange carriers not covered by Sec. 69.307(c)(2), a portion of General purpose computer investment shall be apportioned to the billing and collection category on the basis of the Big Three Expense Factors allocator, defined in Sec. 69.2, modified to exclude expenses that are apportioned on the basis of allocators that include General Support Facilities investment. The remaining General Support Facilities investments shall be apportioned among the interexchange category, the billing and collection category, and Common Line, Local Switching, Information, Transport, and Special Access Elements on the basis of Central Office Equipment, Information Origination/Termination Equipment, and Cable and Wire Facilities, combined.</p> <p>[58 FR 30995, May 28, 1993, as amended at 58 FR 36145, July 6, 1993; 62 FR 31939, June 11, 1997; 62 FR 40464, July 29, 1997; 62 FR 65622, Dec. 15, 1997; 66 FR 59732, Nov. 30, 2001]</p>	<p>X</p> <p>X</p> <p></p> <p>X</p> <p></p>	<p></p> <p></p> <p>X</p> <p></p> <p></p>
<p>Subpart D--Apportionment of Net Investment Sec. 69.308 [Reserved]</p>		X

## Appendix 1 – Rules

47 C.F.R. PART 69 SUBPART D	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart D--Apportionment of Net Investment Sec. 69.309 Other investment.</p> <p>Investment that is not apportioned pursuant to Sec. Sec. 69.302 through 69.307 shall be apportioned among the interexchange category, the billing and collection category and access elements in the same proportions as the combined investment that is apportioned pursuant to Sec. Sec. 69.303 through 69.307.</p>	X	
<p>Subpart D--Apportionment of Net Investment Sec. 69.310 Capital leases.</p> <p>Capital Leases in Account 2680 shall be directly assigned to the appropriate interexchange category or access elements consistent with the treatment prescribed for similar plant costs or shall be apportioned in the same manner as Account 2001.</p>	X	

## Appendix 1 – Rules

### PART 69– Access Charges

#### Subpart E– Apportionment of Expenses

47 C.F.R. PART 69 SUBPART E	Action Requested	
	For- bear	No Action (Does not apply to BST today)
Subpart E--Apportionment of Expenses Sec. 69.401 Direct expenses.		
(a) Plant Specific Operations Expenses in Accounts 6110 and 6120 shall be apportioned among the interexchange category, the billing and collection category and appropriate access elements on the following basis: (1) Account 6110--Apportion on the basis of other investment apportioned pursuant to Sec. 69.309. (2) Account 6120--Apportion on the basis of General and Support Facilities investment pursuant to Sec. 69.307.	X	
(b) Plant Specific Operations Expenses in Accounts 6210, 6220, and 6230, shall be apportioned among the interexchange category and access elements on the basis of the apportionment of the investment in Accounts 2210, 2220, and 2230, respectively; provided that any expenses associated with DS1/voice-grade multiplexers, to the extent that they are not associated with an analog tandem switch, assigned to the local transport category by this paragraph shall be reallocated to the local switching category; provided further that any expenses associated with common channel signalling included in Account 6210 shall be assigned to the local transport category.	X	
(c) Plant Specific Operations Expenses in Accounts 6310 and 6410 shall be assigned to the appropriate investment category and shall be apportioned among the interexchange category and access elements in the same proportions as the total associated investment.	X	
(d) Plant Non Specific Operations Expenses in Accounts 6510 and 6530 shall be apportioned among the interchange category, the billing and collection category, and access elements in the same proportions as the combined investment in COE, IOT, and C&WF apportioned to each element and category.	X	
(e) Plant Non Specific Operations Expenses in Account 6540 shall be assigned to the interexchange category.	X	
(f) Plant Non Specific Operations Expenses in Account 6560 shall be apportioned among the interexchange category, the billing and collection category, and access elements in the same proportion as the associated investment.	X	
(g) Amortization of embedded customer premises wiring investment shall be deemed to be associated with Sec. 69.303(b) IOT investment for purposes of the apportionment described in paragraph (c) of this section.	X	
[52 FR 37313, Oct. 6, 1987, as amended at 62 FR 31939, June 11, 1997]		



## Appendix 1 – Rules

47 C.F.R. PART 69 SUBPART E	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart E--Apportionment of Expenses Sec. 69.402 Operating taxes (Account 7200).</p> <p>(a) Federal income taxes, state and local income taxes, and state and local gross receipts or gross earnings taxes that are collected in lieu of a corporate income tax shall be apportioned among the interexchange category, the billing and collection category and all access elements based on the approximate net taxable income on which the tax is levied (positive or negative) applicable to each element and category.</p> <p>(b) All other operating taxes shall be apportioned among the interexchange category, the billing and collection category and all access elements in the same manner as the investment apportioned to each element and category pursuant to Sec. 69.309 Other Investment.</p>	X	
<p>Subpart E--Apportionment of Expenses Sec. 69.403 Marketing expense (Account 6610).</p> <p>Marketing expense shall be apportioned among the interexchange category and all access elements in the same proportions as the combined investment that is apportioned pursuant to Sec. 69.309.</p>	X	
<p>Subpart E—Apportionment of Expenses Sec. 69.404 Telephone operator services expenses in Account 6620.</p> <p>Telephone Operator Services expenses shall be apportioned among the interexchange category, and the Local Switching and Information elements based on the relative number of weighted standard work seconds. For those companies who contract with another company for the provision of these services, the expenses incurred shall be directly assigned among the interexchange category and the Local Switching and Information elements on the basis of the bill rendered for the services provided.</p>	X	
<p>Subpart E--Apportionment of Expenses Sec. 69.405 Published directory expenses in Account 6620.</p> <p>Published Directory expenses shall be assigned to the Information element.</p>	X	

## Appendix 1 – Rules

47 C.F.R. PART 69 SUBPART E	Action Requested	
	For- bear	No Action (Does not apply to BST today)
<p>Subpart E--Apportionment of Expenses Sec. 69.406 Local business office expenses in Account 6620.</p> <p>(a) Local business office expenses shall be assigned as follows:</p> <p>(1) End user service order processing expenses attributable to presubscription shall be apportioned among the Common Line, Switching, and Transport elements in the same proportion as the investment apportioned to those elements pursuant to Sec. 69.309.</p> <p>(2) End user service order processing, payment and collection, and billing inquiry expenses attributable to the company's own interstate private line and special access service shall be assigned to the Special Access element.</p> <p>(3) End user service order processing, payment and collection, and billing inquiry expenses attributable to interstate private line service offered by an interexchange carrier shall be assigned to the billing and collection category.</p> <p>(4) End user service order processing, payment and collection, and billing inquiry expenses attributable to the company's own interstate message toll service shall be assigned to the interexchange category. End user service order processing, payment and collection, and billing inquiry expenses attributable to interstate message toll service offered by an interexchange carrier shall be assigned to the billing and collection category. End user payment and collection and billing inquiry expenses attributable to End User Common Line access billing shall be assigned to the Common Line element.</p> <p>(5) End user service order processing, payment and collection, and billing inquiry expenses attributable to TWX service shall be assigned to the Special Access element.</p> <p>(6) Interexchange carrier service order processing, payment and collection, and billing inquiry expenses attributable to private lines and special access shall be assigned to the Special Access element.</p> <p>(7) Interexchange carrier service order processing, payment and collection, and billing inquiry expenses attributable to interstate switched access and message toll, shall be apportioned among the Common Line, Local Switching and Transport elements in the same proportion as the investment apportioned to those elements pursuant to Sec. 69.309.</p> <p>(8) Interexchange carrier service order processing, payment and collection, and billing inquiry expenses attributable to billing and collection service shall be assigned to the billing and collection category.</p> <p>[52 FR 37313, Oct. 6, 1987, as amended at 62 FR 31939, June 11, 1997]</p>	X	

# Appendix 1 – Rules

47 C.F.R. PART 69 SUBPART E	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart E--Apportionment of Expenses Sec. 69.407 Revenue accounting expenses in Account 6620.</p> <p>(a) Revenue accounting expenses that are attributable to End User Common Line access billings shall be assigned to the Common Line element.</p> <p>(b) Revenue Accounting Expenses that are attributable to carrier's carrier access billing and collecting expense shall be apportioned among all carrier's carrier access elements except the Common Line element. Such expenses shall be apportioned in the same proportion as the combined investment in COE, C&amp;WF and IOT apportioned to those elements.</p> <p>(c) Revenue Accounting Expenses allocated to the interstate jurisdiction that are attributable to the provision of billing name and address information shall be assigned to the Billing Name and Address element.</p> <p>(d) All other Revenue Accounting Expenses shall be assigned to the billing and collection category.</p> <p>[52 FR 37313, Oct. 6, 1987, as amended at 58 FR 65671, Dec. 16, 1993]</p>	X	
<p>Subpart E--Apportionment of Expenses Sec. 69.408 All other customer services expenses in Account 6620.</p> <p>All other customer services expenses shall be apportioned among the Interexchange category, the billing and collection category and all access elements based on the combined expenses in Sec. Sec. 69.404 through 69.407.</p> <p>[52 FR 37313, Oct. 6, 1987, as amended at 54 FR 3456, Jan. 24, 1989]</p>	X	
<p>Subpart E--Apportionment of Expenses Sec. 69.409 Corporate operations expenses (included in Account 6720).</p> <p>All corporate operations expenses shall be apportioned among the interexchange category, the billing and collection category and all access elements in accordance with the Big 3 Expense Factor as defined in Sec. 69.2(f).</p>	X	
<p>Subpart E--Apportionment of Expenses Sec. 69.411 Other expenses.</p> <p>Except as provided in Sec. Sec. 69.412, 69.413, and 69.414, expenses that are not apportioned pursuant to Sec. Sec. 69.401 through 69.409 shall be apportioned among the interexchange category and all access elements in the same manner as Sec. 69.309 Other investment.</p> <p>[62 FR 31639, June 11, 1997]</p>	X	
<p>Subpart E--Apportionment of Expenses Sec. 69.412 Non participating company payments/receipts.</p> <p>For telephone companies that are not association Common Line tariff participants, the payment or receipt of funds described in Sec. 69.612(a) and (b) shall be apportioned, respectively, as an addition to or a deduction from their common line revenue requirement.</p>	X	

# Appendix 1 – Rules

47 C.F.R. PART 69 SUBPART E	Action Requested	
	For-bear	No Action (Does not apply to BST today)
<p>Subpart E--Apportionment of Expenses Sec. 69.413 Universal service fund expenses.</p> <p>Expenses allocated to the interstate jurisdiction pursuant to Sec. Sec. 36.631 and 36.641 shall be assigned to the Carrier Common Line Element until March 31, 1989. Beginning April 1, 1989, such expenses shall be assigned to the Universal Service Fund Element.</p>	X	
<p>Subpart E--Apportionment of Expenses Sec. 69.414 Lifeline assistance expenses.</p> <p>Expenses allocated to the interstate jurisdiction pursuant to Sec. 36.741 shall be assigned to the Carrier Common Line element until March 31, 1989. Beginning April 1, 1989, such expenses shall be assigned to the Lifeline Assistance element.</p>	X	
<p>Subpart E--Apportionment of Expenses Sec. 69.415 Reallocation of certain transport expenses.</p> <p>(a) Beginning January 1, 2002, non-price cap local exchange carriers shall reallocate a portion of the costs otherwise assigned to the transport category to the common line, local switching, information, and special access elements.</p> <p>(b) The amount to be reallocated is limited to the total revenues recovered through the interconnection charge assessed pursuant to Sec. 69.124 for the 12-month period ending June 30, 2001.</p> <p>(c) The reallocation of the amount in paragraph (b) of this section shall be based on each access element's projected revenue requirement divided by the total revenue requirement of all the access elements, provided that:</p> <p>(1) Local switching support shall not be included in the local switching category's projected revenue requirement, or in the total projected revenue requirement;</p> <p>(2) A non-price cap local exchange carrier's universal service contribution shall not be included in the numerator or the denominator of the allocation formula;</p> <p>(3) The amount determined in paragraph (b) of this section shall be excluded from the transport revenue requirement and from the total projected revenue requirement for purposes of the allocation calculations; and</p> <p>(4) The common line revenue requirement shall include long term support as provided in Sec. 54.303 of this chapter and, beginning July 1, 2002, shall include Interstate Common Line Support as provided in Sec. 54.901 of this chapter.</p> <p>[66 FR 59733, Nov. 30, 2001]</p>		<p>X</p> <p>X</p> <p>X</p>

## Appendix 1 – Rules

### SECTION 220 – Accounts, Records and Memoranda

47 U.S.C. § 220(a)(2)	Action Requested	
	For-bear	No Action
<p>Sec. 220. Accounts, records, and memoranda</p> <p>(a) Forms</p> <p>.....</p> <p>(2) The Commission shall, by rule, prescribe a uniform system of accounts for use by telephone companies. Such uniform system shall require that each common carrier shall maintain a system of accounting methods, procedures, and techniques (including accounts and supporting records and memoranda) which shall ensure a proper allocation of all costs to and among telecommunications services, facilities, and products (and to and among classes of such services, facilities, and products) which are developed, manufactured, or offered by such common carrier.</p> <p>.....</p>	X <sup>15</sup>	

<sup>15</sup> The Petition seeks limited forbearance of 47 U.S.C. § 220(a)(2) to the extent that provision contemplates separate accounting for non-regulated costs.